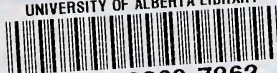


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Saskatchewan

# Public Accounts 1988-89

## Volume 2

### Supplementary Financial Statements

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# Saskatchewan



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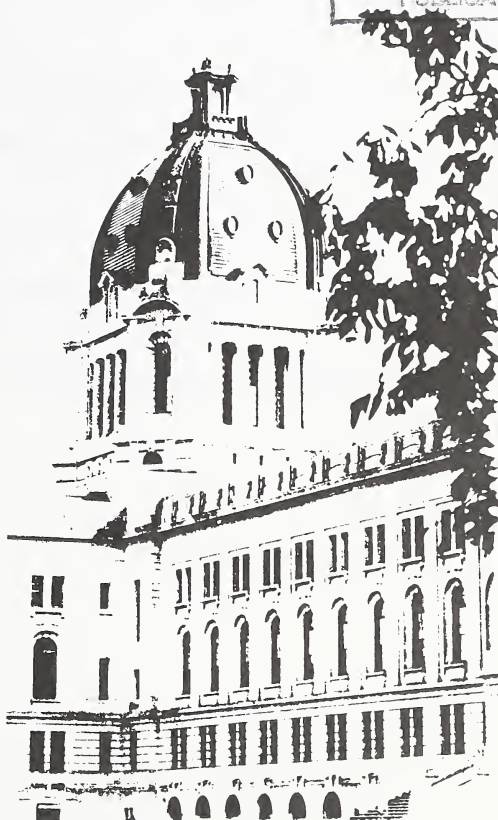
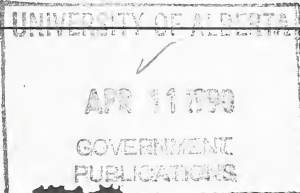


Province of  
Saskatchewan

# Public Accounts 1988-89

## Volume 2

### Supplementary Financial Statements



# Saskatchewan





# Scope of the Public Accounts

The Public Accounts are organized into three volumes:

## **Volume 1 — Main Financial Statements**

Volume 1 consists of two parts:

- Part A — Financial Statements of the Combined Funds
  - Financial Statements of the Consolidated Fund
  - Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt

## **Volume 2 — Supplementary Financial Statements**

Summary information of Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance

Financial statements of Revolving Funds; and

Other financial statements which are not tabled separately in the Legislature.

## **Volume 3 — Details of Revenue and Expenditure Activity**


Summary Revenue and Expenditure Information for the Combined, Consolidated and Saskatchewan Heritage Funds.

Consolidated Fund Revenue and Expenditure Details;

Saskatchewan Heritage Fund Revenue and Expenditure Details; and

Other Information — Statement of Remission of Taxes and Fees.

A Detailed Table of Contents is provided at the beginning of each of the Volumes.



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# **Supplementary Financial Statements**

## **Preamble**

Contained in the first part of this Volume is summary financial information on a variety of funds administered by the Minister of Finance. These include superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements and special purpose monies held for specified use.

Following this summary information are financial statements of revolving funds and other government entities for which the governing legislation does not require that the financial statements of the entities be tabled separately before the Legislative Assembly.

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Note: The following financial statements are not included in the 1988-89 Public Accounts as they were not finalized at the time of printing:

Public Employees Dental Fund, December 31, 1987

Public Employees Dental Fund

Public Employees Disability Income Fund

Public Employees Group Life Insurance Fund





**Summary of Superannuation,  
Trust, and Special  
Purpose Funds**

# Summary of Superannuation, Trust, and Special Purpose Fund Balances

March 31, 1989

	(\$ Thousands)	
<b>Assets</b>	<b>1989</b>	<b>1988</b>
Cash	\$ 37,647,101	\$ 41,813,771
Investments	1,681,069,345	1,423,795,317
Accounts Receivable	48,034,300	52,559,806
Other Assets	14,121,336	13,103,931
<b>Total Assets</b>	<b>\$ 1,780,872,082</b>	<b>\$ 1,531,272,825</b>

## Liabilities and Fund Balances

Liabilities	\$ 155,416,150	\$ 113,905,707
Superannuation Funds Held in Trust	1,583,090,046	1,346,863,189
Other Trust Funds	128,896,080	121,966,862
Other Special Purpose Funds	(86,530,194)	(51,462,933)
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,780,872,082</b>	<b>\$ 1,531,272,825</b>

(See accompanying notes)

# Summary of Individual Superannuation, Trust and Special Purpose Funds

At March 31, 1989

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
<b>Superannuation Funds</b>							
<b>Education</b>							
The Teachers' Superannuation Commission .....	10,244	\$ 803,104,408	\$ 13,369,538	—	\$ 816,484,190	\$ 6,813,452	\$ 809,670,738
<b>Public Employees Benefits Agency</b>							
Anti-Tuberculosis League Employees Superannuation Fund (2) .....	11,484	4,950,778	152,636	—	5,114,898	2,881	5,112,017
Judges of the Provincial Court Superannuation Fund (2) .....	(2,112)	2,462,275	75,304	—	2,535,467	12,571	2,522,896
Liquor Board Superannuation Fund (2)(3) .....	45,847	11,131,908	306,526	—	11,484,281	7,226	11,477,055
Members of the Legislative Assembly Superannuation Fund (2) .....	—	4,833,191	196,434	—	5,029,625	32,371	4,997,254
Public Employees (Government Contributory) Superannuation Fund (2) .....	—	487,524,733	12,942,854	—	500,467,587	2,551,654	497,915,933
Public Employees (Government Contributory) Annuity Fund .....	—	7,580,406	445,008	—	8,025,414	3,975	8,021,439
Saskatchewan Transportation Company Employees Superannuation Fund (2) ..	54,844	16,984,966	461,584	—	17,501,394	4,148	17,497,246
Workmen's Compensation Board Superannuation Fund (1)(3) .....	48,939	11,388,766	254,960	—	11,692,665	3,786	11,688,879
<b>Rural Development</b>							
Municipal Employees Superannuation Fund (1)(3) .....	855,981	224,373,564	5,704,889	—	230,934,434	16,747,845	214,186,589
	\$ 1,025,227	\$ 1,574,334,995	\$ 33,909,733	—	\$ 1,609,269,955	\$ 26,179,909	\$ 1,583,090,046
<b>Trust Funds</b>							
<b>Agriculture</b>							
Cattle Marketing Deductions Fund (1) ....	131,222	\$ 1,011,058	—	—	\$ 1,142,280	\$ 842	\$ 1,141,438
Horned Cattle Trust Fund (1) .....	114,789	337,019	1,703	521,662	975,173	4,488	970,685
Saskatchewan Beef Stabilization Board Producer Trust Fund (2) .....	4,852,726	—	2,734,638	—	7,587,364	7,587,364	—
<b>Consumer and Commercial Affairs</b>							
Agricultural Implements Compensation Fund (2) .....	6,604	76,890	561	—	84,055	2,530	81,525
<b>Education</b>							
School for the Deaf — Miscellaneous Trust Fund .....	3,004	9,504	—	—	12,508	—	12,508
School for the Deaf — Student Trust Fund .....	14,276	—	—	—	14,276	—	14,276
<b>Finance</b>							
Administration Branch Suspense Account .....	23,626	—	—	—	23,626	—	23,626

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
Province of Saskatchewan Trust .....	615,644	—	—	—	615,644	—	615,644
Public Employees Dental Plan .....	59,788	3,781,837	352,721	—	4,194,346	306,983	3,887,363
Public Employees Disability Income Plan .....	68,017	17,541,787	643,028	—	18,252,832	452,737	17,800,095
Public Employees Group Life Plan .....	48,596	7,161,329	942,475	—	8,152,400	1,080,538	7,071,862
Canada Savings Bond Account .....	714	—	—	—	714	—	714
Mortgage Interest Reduction Plan Account .....	2,617	—	—	—	2,617	2,617	—
Mortgage Protection Plan Account .....	11,523	—	—	—	11,523	11,523	—
<b>Health</b>							
The Psychiatric Centre, Weyburn:							
Grants and Donations Trust Fund .....	1,181	—	—	—	1,181	—	1,181
Patients Trust Account .....	970	—	—	—	970	300	670
The Saskatchewan Hospital, North Battleford:							
Patients Trust Account .....	15,289	49,537	46	—	64,872	—	64,872
Grants and Donations .....	2,042	—	—	—	2,042	—	2,042
<b>Justice</b>							
Chief Surveyor's Land Titles Trust Account .....	9,680	—	1,923	—	11,603	—	11,603
Danielson Park Inmates Trust .....	5,477	—	34	—	5,511	—	5,511
Judicial Centre Operations Accounts .....	225,123	—	1,525	—	226,648	—	226,648
Land Registrar's Operations Account .....	376,238	—	200,665	—	576,903	—	576,903
Provincial Mediation Board Trust Account .....	256,258	—	—	—	256,258	—	256,258
Provincial Court Operations Account .....	346,502	—	—	—	346,502	—	346,502
Surface Rights Arbitration Board Trust Account .....	35,903	—	—	—	35,903	—	35,903
Local Registrar's Operations Account .....	886,934	—	657	—	887,591	—	887,591
Meadow Lake Camp							
Inmates Trust Account .....	2,953	—	2,446	—	5,399	—	5,399
North Battleford Community Training Residence							
Joint Trust Account .....	11,798	19,466	—	—	31,264	—	31,264
North Battleford Correctional Centre:							
Inmates Trust Account .....	2,048	—	2,215	—	4,263	2,696	1,567
Director's Suspense Account .....	2,615	—	62	—	2,677	2,308	369
Northern Corrections Branch, Besnard Lake							
Inmates Trust Account .....	9,345	—	5,225	—	14,570	6,054	8,516
Northern Corrections Branch, Buffalo Narrows							
Inmates Trust Account .....	(392)	—	2,186	—	1,794	817	977
Pine Grove Correctional Centre, Prince Albert							
Inmate Collective Benefit Fund .....	1,371	—	—	—	1,371	—	1,371
Inmates Trust Account .....	8,141	—	—	—	8,141	—	8,141
Director's Suspense Account .....	(2,813)	—	6,813	—	4,000	—	4,000

<b>Prince Albert Community Training</b>					
Residence					
Joint Trust Account	3,959	4,895	451	9,305	—
Province of Saskatchewan Court					
Accounts	5,736,999	5,999,290	3	11,736,292	—
Provincial Correctional Centre,					
Prince Albert:					
Inmates Collective Benefit Fund	1,176	—	6,373	7,549	—
Inmates Trust Account	6,437	—	20,483	26,920	—
Director's Suspense Account	(574)	—	—	(574)	—
Provincial Correctional Centre, Regina:					
Inmates Collective Benefit Fund	3,240	—	62	4,119	—
Inmates Trust Account	37,569	—	17,766	55,335	—
Director's Suspense Account	995	—	—	995	—
Provincial Correctional Centre,					
Saskatoon:					
Inmate Collective Benefit Fund	3,655	—	—	3,655	—
Inmates Trust Account	17,906	381	25,485	43,772	15,240
Public Trustee:					
Trust Account	56,317	66,765,788	1,847,124	74,824,491	1,495,293
Imprest Account	—	—	—	—	—
Regina Community Training Residence					
Joint Trust Account	18,448	3,386	3,451	45,284	—
Saskatoon Community Training					
Residence					
Joint Trust Account	20,708	53,532	687	81,282	480
Sheriff's Office and Trust Accounts	272,353	—	195	272,548	—
White Gull Camp:					
Inmates Trust Account	6,477	—	2,794	9,271	—
<b>Labour</b>					
Wage Collection Trust Account	103,231	—	—	103,231	—
<b>Social Services</b>					
Battleford Youth Cottage:					
Resident Trust Account	1,887	—	—	1,887	—
Working Fund Account	589	—	—	589	—
Dales House	—	—	—	—	—
Kilburn Hall	2,528	—	—	2,528	—
Social Services General Trust					
Account (1)	—	—	—	—	—
Social Services Central Trust					
Account (1)	30,971	—	279	31,250	—
Valley View Centre, Moose Jaw:					
Grants and Donations Trust Fund	57,635	—	8,700	66,335	—
Patients Trust Account	138,913	—	—	138,913	8,700
Creighton Community Youth Residence:					
Resident Trust Account	2,245	—	771	3,016	—
Kenosae Youth Work Camp:					
Resident Trust Account	396	—	746	1,142	—
North Battleford Youth Centre:					
Resident Trust Account	911	—	—	911	—
Craft and Canteen Account	216	—	—	216	—
North Central Youth Camp, Prince Albert:					
Resident Fund	1,151	—	1,176	2,327	296

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
Paul Dojack Youth Centre: Resident Account .....	1,062	—	7	—	1,069	—	1,069
Yarrow Youth Farm Resident Trust Account .....	2,174	—	—	—	2,174	—	2,174
<b>Urban Affairs</b> Northern Revenue Sharing Trust Account (1) .....	10,363,107	—	2,088,820	127,909	12,579,836	3,736,603	8,843,233
\$	25,042,490	\$ 102,815,699	\$ 8,924,296	\$ 6,832,004	\$ 143,614,489	\$ 14,718,409	\$ 128,896,080
<b>Special Purpose Funds</b>							
<b>Agriculture</b> Land Clearing Account .....	10,866	\$ —	\$ —	\$ —	10,866	\$ —	10,866
Saskatchewan Beef Stabilization Board (2) .....	1,520,364	—	206,626	246,230	1,973,220	88,417	1,884,803
Saskatchewan Agricultural Returns Stabilization Fund: Cow-Calf-to-Finish Market Insurance Plan .....	243,435	—	483,032	—	726,467	47,054,122	(46,327,655)
Feeder Finish Market Insurance Plan ..	2,215,150	—	2,824,936	—	5,040,086	59,171,660	(54,131,574)
Saskatchewan Sheep and Wool Marketing Commission (1)(3) .....	29,129	—	3,900	18,665	51,694	10,149	41,545
Saskatchewan Vegetable Marketing Commission (1) .....	7,186	—	—	3,084	10,270	117	10,153
<b>Alcohol and Drug Abuse Commission</b> Contingency Fund (2) .....	1,706	34,672	46	—	36,424	—	36,424
General Fund (2) .....	1,258,592	—	21,835	614,329	1,894,756	573,691	1,321,065
<b>Energy and Mines</b> Suspense Account .....	2,467,254	—	—	—	2,467,254	—	2,467,254
<b>Environment and Public Safety</b> Environmental Protection Fund .....	3,338,399	—	724,163	—	4,062,562	589,349	3,473,213
<b>Farm Purchase Program Fund (1) .....</b>	—	—	—	—	—	—	—
<b>Health</b> Mental Health Services Special Purpose (I.C.B.) Fund .....	2,520	101,960	—	—	104,480	—	104,480
The Psychiatric Centre, Weyburn Bazaar Account .....	10,246	189,701	300	15,709	215,956	37	215,919
The Saskatchewan Hospital, North Battleford: Bazaar Account .....	9,811	84,472	15,690	78,138	188,111	106	188,005
Canteen Account .....	10,528	74,425	—	11,687	96,640	—	96,640
<b>Justice</b> Court of Appeal Evidence Account .....	89,659	—	—	—	89,659	—	89,659
Land Titles Assurance Fund (1) .....	5,745	70,649	—	—	76,394	1,394	75,000
Maintenance Enforcement Program Account .....	6,511	—	—	—	6,511	—	6,511
North Battleford Correctional Centre Handicraft Account .....	430	—	1,277	—	1,707	—	1,707
Northern Corrections Branch, La Ronge Special Account .....	8,175	35,000	—	—	43,175	—	43,175



- (1) Financial Statements are included in this Volume of the Public Accounts
- (2) Report Tabled in Legislature
- (3) At December 31, 1988



## **Financial Statements of Revolving Funds**

## Conservation and Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Conservation and Development Revolving Fund as at March 31, 1989 and the statements of operations and accumulated operating surplus, financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 17, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Accounts receivable (Note 2) .....	\$ 11,192	\$ 27,481
Inventories		
— Livestock .....	2,626,708	2,635,340
— Feeds, fuel and other .....	414,555	325,627
Prepaid license and insurance .....	3,158	2,122
Investments — cost .....	5,000	5,000
	<u>3,060,613</u>	<u>2,995,570</u>
Fixed assets (Note 3) .....	921,792	1,081,645
	<u>\$ 3,982,405</u>	<u>\$ 4,077,215</u>
<b>Liabilities and Fund Equity</b>		
Current:		
Accounts payable .....	\$ 2,397	\$ 12,062
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	3,838,099	4,014,965
Accumulated operating surplus, (Note 2) (Statement 2) .....	141,909	50,188
	<u>3,980,008</u>	<u>4,065,153</u>
	<u>3,982,405</u>	<u>4,077,215</u>

(See accompanying notes to the financial statements)

## Conservation and Development Revolving Fund

### Statement of Operations and Accumulated Operating Surplus Year Ended March 31

### Statement 2

	1989	1988
Revenue:		
Cattle and hog sales .....	\$ 969,283	\$ 1,054,459
Expenses:		
Operating (Schedule 1) .....	1,722,947	1,634,371
Office salaries and administration .....	54,615	84,591
	1,777,562	1,718,962
Net loss (Statement 3) (Note 2) .....	(808,279)	(664,503)
Accumulated operating surplus beginning of year		
as previously reported .....	22,707	300,891
Adjustments for prior years fuel tax rebates (Note 2) .....	27,481	13,800
As restated .....	50,188	314,691
	(758,091)	(349,812)
Accumulated operating deficit recovered from Consolidated Fund .....	900,000	400,000
Accumulated operating surplus end of year (Statement 1) .....	\$ 141,909	\$ 50,188

(See accompanying notes to the financial statements)

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

### Statement 3

	1989	1988
Financing requirements of the Revolving Fund:		
Net capital acquisitions:		
Purchase of fixed assets .....	\$ 13,955	\$ 56,894
Proceeds from sale of fixed assets .....	—	(15,589)
Transfer of assets at net book value to the Consolidated Fund .....	—	(30,082)
	13,955	11,223
Working capital changes:		
(Decrease) increase in accounts receivable (Note 2) .....	(16,289)	13,681
Increase in inventory .....	80,296	218,078
Increase in prepaid expenses .....	1,036	291
Decrease (increase) in accounts payable and unearned revenue .....	9,665	(8,386)
	74,708	223,664
Amounts required to finance the operations of the Revolving Fund:		
Net loss (Statement 2) .....	808,279	664,503
Items not affecting working capital		
— depreciation .....	(173,808)	(186,698)
— loss on disposal of fixed assets .....	—	(10,147)
	634,471	467,658
Accumulated operating deficit recovered from Consolidated Fund .....	(900,000)	(400,000)
	(265,529)	67,658
Net cash (recovery) expenditure .....	(176,866)	302,545
Accumulated net expenditure, beginning of year .....	4,014,965	3,712,420
Accumulated net expenditure, end of year (Statement 1) .....	\$ 3,838,099	\$ 4,014,965

(See accompanying notes to the financial statements)

## Conservation and Development Revolving Fund

### Notes to Financial Statements

March 31, 1989

#### 1. Accounting Policies

##### a) Authority of Reporting Entity

The authority for this Revolving Fund is contained in section 16(2) of The Department of Agriculture Act. The Revolving Fund manages certain northern farms.

##### b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash inflow from the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of operating deficits of the Revolving Fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

##### e) Authorized Financing

Section 16(11) of The Department of Agriculture Act, provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$10,000,000 was established by Order-in-Council 1859/83.

##### f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(5) of The Department of Agriculture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that any deficit which is in fact a subsidy and not a deficit due to business fluctuations must be recovered from the Departments' appropriation in the same year. The department budgets for a subsidy to the Revolving Fund in the same year that the deficit occurs.

##### g) Depreciation

Depreciation of fixed assets is calculated on a straight line basis with the current rates being 5% to 15%.

##### h) Inventory

Inventory is valued at the lower of cost and net realizable value.

#### 2. Fuel Tax Rebates

During the year, the Revolving Fund claimed and received \$27,481 in Provincial Fuel Tax Rebates applicable to fuel used in the farming operations of the 1986-87 and 1987-88 years. The financial statements have been retroactively adjusted to recognize these prior years fuel tax rebates and as a result, the accumulated operating surplus at April 1, 1988 has been increased by \$27,481. Of the \$27,481, \$13,681 is applicable to the 1988 year and is reflected in the net loss for that year. The remaining \$13,800 is applicable to the years prior to April 1, 1987. On the balance sheet, the 1988 accounts receivable and accumulated operating surplus were both increased by \$27,481.

#### 3. Fixed Assets

	1989			1988	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Buildings, machinery and equipment .....	\$ 2,476,444	\$ 1,554,652	\$ 921,792	\$ 1,081,645	

#### 4. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain costs including occupancy, financing, general administrative and printing services costs. These costs have been absorbed by the Department of Agriculture, therefore no provision for such costs is reflected in these financial statements.



## Conservation and Development Revolving Fund

### 5. Subsequent Event

Arrangements are being made for the Revolving Fund to dispose of its assets and terminate its farming operations by November 30, 1989.

### Schedule of Operating Expenses

March 31

### Schedule 1

	1989	1988
Wages and salaries .....	\$ 758,294	\$ 733,113
Purchase of livestock .....	45,877	17,865
Fuel, oil and maintenance .....	366,110	365,467
Fertilizer and feed .....	93,426	209,649
Depreciation .....	173,808	186,698
Other .....	276,800	270,705
Decrease (increase) in livestock inventory .....	8,632	(159,273)
Loss on Disposal of Fixed Assets .....	—	10,147
	<u>\$ 1,722,947</u>	<u>\$ 1,634,371</u>

## Saskatchewan Book Bureau Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Book Bureau Revolving Fund as at March 31, 1989, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
June 28, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Petty cash .....	\$ 2,100	\$ 2,100
Accounts receivable .....	220,320	73,916
Inventory .....	1,883,583	1,287,247
Total current assets .....	2,106,003	1,363,263
Fixed:		
Office and warehouse equipment (Note 5) .....	8,734	36,774
	<u>\$ 2,114,737</u>	<u>\$ 1,400,037</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities .....	\$ 6,483	\$ 50,177
Customer deposits and credits .....	2,644	6,098
Total current liabilities .....	9,127	56,275
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	1,720,853	1,052,565
Accumulated operating surplus (Statement 2) .....	384,757	291,197
	<u>2,105,610</u>	<u>1,343,762</u>
	<u>\$ 2,114,737</u>	<u>\$ 1,400,037</u>

(See accompanying notes)

## Saskatchewan Book Bureau Revolving Fund

### Statement of Operations and Accumulated Operating Surplus

For the Year Ended March 31

### Statement 2

	1989	1988
Revenue:		
Sales .....	\$ 5,225,197	\$ 5,117,974
Cost of goods sold .....	4,416,460	4,451,548
Gross profit .....	808,737	666,426
Commission of E & H Tax .....	266	244
Restocking charge on returned sales .....	8,099	7,981
	817,102	674,651
Operating Expenses:		
Salaries .....	406,971	392,629
Computer rental and maintenance .....	64,305	36,191
Office and warehouse .....	54,848	51,303
Freight and express out .....	30,531	28,666
Telephone .....	7,346	7,526
Depreciation .....	9,601	13,275
Service and repair equipment .....	3,695	2,682
Mechanical and electronic parts .....	4,041	959
Transportation charge — office and warehouse .....	130	128
Travel .....	468	93
Bad debts .....	407	2
Loss on disposition of fixed assets .....	2	.....
	582,345	533,454
Net income from operations .....	234,757	141,197
Accumulated operating surplus, beginning of year .....	291,197	306,744
Accumulated operating surplus, paid to Consolidated Fund .....	(141,197)	(156,744)
Accumulated operating surplus, end of year (Statement 1) .....	\$ 384,757	\$ 291,197

(See accompanying notes)

### Statement of Financing Activities and Accumulated Net Expenditures

For the Year Ended March 31

### Statement 3

	1989	1988
Financing requirements of the Revolving Fund:		
Net capital acquisitions:		
Purchase of fixed assets .....	\$ .....	\$ 1,257
Proceeds from sale of fixed assets .....	(18,437)	.....
	(18,437)	1,257
Working capital changes:		
Increase (decrease) in accounts receivable .....	146,404	16,742
Increase (decrease) in inventories .....	501,138	352,849
Decrease (increase) in accounts payable .....	47,148	(16,528)
	694,690	353,063
Prior year's income (of Revolving Fund) transferable to (recoverable from) Consolidated Fund .....	141,197	156,744
	817,450	511,064
Less amount financed by operations:		
Net income .....	234,757	141,197
Items not requiring an outlay (inflow) of funds:		
— depreciation .....	9,601	13,275
— loss on disposal of fixed assets .....	2	.....
	244,360	154,472
Net expenditure (recovery) .....	573,090	356,592
Assets transferred to Revolving Fund at no cost during year (Note 8) .....	95,198	47,907
Accumulated net expenditure, beginning of year .....	1,052,565	648,066
Accumulated net expenditure, end of year (Statement 1) .....	\$ 1,720,853	\$ 1,052,565

(See accompanying notes)

## Saskatchewan Book Bureau Revolving Fund

### Notes to the Financial Statements

March 31, 1989

#### 1. Accounting Policies:

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year are recorded as paid in the previous year.

##### b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

##### c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### d) Depreciation

Depreciation is provided on office and warehouse equipment on a straight line basis at an annual rate of 10% of acquisition value.

##### e) Inventory Valuation

A physical inventory of stock on hand was taken at the close of the Book Bureau's fiscal year March 31, 1989, and valued at the lower of average cost and net realizable value.

##### f) Pricing Policy

The Bureau's sales catalogue of books and educational materials and the retail list prices of the items therein are revised periodically by the management with a view to operating the revolving fund as close to the break even point as possible. For the 1988 and 1989 years, the retail list price of publications was based on invoice cost plus 16.5%.

#### 2. Authority and Definition of Entity

The authority for this revolving fund is contained in Section 12 of The Department of Education Act. The purpose of the Saskatchewan Book Bureau Revolving Fund is to finance and to provide a system of accounting for the purchase, sale and distribution of such school textbooks, workbooks, reference textbooks, related print and non-print materials as authorized by the Department of Education for use in Saskatchewan schools, and to serve as distributor and sales agent for publications and materials of the Department of Education.

#### 3. Authorized Financing

Section 12(8) of The Department of Education Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. The maximum amount has been set at \$4,000,000.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with section 12(4) of The Department of Education Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Book Bureau Revolving Fund shall be \$150,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

#### 5. Fixed Assets

	1989			1988	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Office equipment .....	\$ 10,666	\$ 8,178	\$ 2,488	\$ 3,388	
Duplication equipment .....	.....	.....	.....	25,720	
Warehouse equipment .....	40,029	33,783	6,246	7,666	
	<u>\$ 50,695</u>	<u>\$ 41,961</u>	<u>\$ 8,734</u>	<u>\$ 36,774</u>	

Depreciation provided in the financial statements for the current year amounted to \$9,601 (1988 — \$13,275).

## Saskatchewan Book Bureau Revolving Fund

### 6. **Related Party Transactions**

In accordance with established government policy the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

### 7. **Commitments**

The revolving fund is committed to the following approximate expenditures:

- (1) Mini-computer lease payments — \$33,000, 1989 to 1990.
- (2) Grade 7 and 9 Social Studies Textbooks — \$636,525, 1989 to 1995.

### 8. **Transfer of Inventory**

On August 1, 1988, the Department of Education transferred certain inventory items valued at \$95,198 to the Revolving Fund at no cost.

### 9. **Comparative Information**

Certain 1988 balances have been reclassified to conform with the current year presentation.

## Highways Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Highways Revolving Fund as at March 31, 1989 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 6, 1989.

G. F. Wendel, C.A.,  
A/Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Accounts receivable (Note 5) .....	\$ 1,520,257	\$ 1,728,205
Construction work in progress .....	165,722	54,292
Inventories .....	3,201,958	3,073,735
	<u>4,887,937</u>	<u>4,856,232</u>
Fixed:		
Construction, maintenance and other equipment (Note 6) .....	36,063,987	36,013,071
	<u>\$ 40,951,924</u>	<u>\$ 40,869,303</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Accounts payable .....	\$ 191,233	\$ 326,210
Unearned revenue .....	160,716	28,794
	<u>351,949</u>	<u>355,004</u>
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	40,854,376	39,824,477
Accumulated operating surplus/(deficit) (Statement 2) .....	(254,401)	689,822
	<u>40,599,975</u>	<u>40,514,299</u>
	<u>\$ 40,951,924</u>	<u>\$ 40,869,303</u>

(See accompanying notes)

### Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

### Statement 2

	1989	1988
<b>Revenue:</b>		
Sales or gross revenue .....	\$ 27,472,876	\$ 30,867,368
Other revenue .....	149,506	27,784
(Loss) on sale of fixed assets .....	(25,690)	(250,008)
Total revenue .....	<u>27,596,692</u>	<u>30,645,144</u>
<b>Expenses:</b>		
Cost of sales .....	15,940,053	18,266,713
Other expenses .....	11,327,453	10,370,906
Total expenses .....	<u>27,267,506</u>	<u>28,637,619</u>
Segment margin (Note 7) .....	329,186	2,007,525
General expenses .....	1,273,409	1,318,736
Net income (loss) .....	(944,223)	688,789
Accumulated operating surplus, beginning of year .....	689,822	1,033
Accumulated operating surplus/(deficit), end of year — to Statement 1 ....	<u>\$ (254,401)</u>	<u>\$ 689,822</u>

(See accompanying notes)



## Highways Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure For the Year Ended March 31

### Statement 3

	1989	1988
Financing requirements of the Revolving Fund		
Net capital acquisitions:		
Purchase of fixed assets	\$ 4,975,131	\$ 3,320,596
Proceeds received from sale of fixed assets	(1,590,833)	(418,200)
	<u>3,384,298</u>	<u>2,902,396</u>
Working capital changes:		
Increase (decrease) in accounts receivable	(207,948)	529,038
Increase (decrease) in inventories	128,223	(760,022)
(Increase) decrease in accounts payable	134,977	9,248
(Increase) decrease in unearned revenue	(131,922)	485,735
Increase (decrease) in construction work in progress	111,430	(771,355)
	<u>34,760</u>	<u>(507,356)</u>
Total financing requirements	<u>3,419,058</u>	<u>2,395,040</u>
Less amounts financed by operations:		
Net income (loss)	(944,223)	688,789
Items not affecting working capital		
— depreciation	3,307,692	3,209,806
— (gain) loss on disposal of fixed assets	25,690	250,008
	<u>2,389,159</u>	<u>4,148,603</u>
Net cash (recovery) expenditure	1,029,899	(1,753,563)
Accumulated net expenditure, beginning of year	39,824,477	41,578,040
Accumulated net expenditure, end of year — to Statement 1	<u>\$ 40,854,376</u>	<u>\$ 39,824,477</u>

(See accompanying notes)

### Notes To The Financial Statements

March 31, 1989

#### 1. Accounting Policies

##### (a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting with the following modifications:

- (i) Payments received in the month of April pertaining to sales of the preceding fiscal year are recorded as received in the preceding year.
- (ii) Disbursements made in the month of April pertaining to goods and services received in the preceding year are recorded as paid in the preceding year.

##### (b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) is the cash flow from (to) the Consolidated Fund. It represents the total annual financing requirements (surpluses) resulting from net capital acquisitions, working capital changes and net cash flows from operations.

##### (c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- (i) amounts due to the Minister of Finance as at March 31, 1982 assumed by the Revolving Fund in respect of working capital advances;
- (ii) the net cash expenditure (recovery) for each fiscal year thereafter;
- (iii) the lower of net book value or fair market value of assets acquired (disposed of) at no charge from (to) another government agency.

##### (d) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 14(4) of The Department of Highways and Transportation Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Highways Revolving Fund shall be \$1,000,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid to (from) the Consolidated Fund.

## Highways Revolving Fund

### (e) Inventories

Inventories are valued at the lower of original cost, as determined on a global moving average basis, and net realizable value.

### (f) Construction and Maintenance Equipment

Construction and maintenance equipment, including expenditures which renovate or modify the equipment and result in a corresponding increase in the useful life of the equipment, are recorded at cost or as determined in Note 1(c)(iii).

### (g) Computer Equipment Under Capital Lease

Computer equipment under capital lease from Saskatchewan Property Management Corporation has a capital cost paid in full by the Revolving Fund at the inception of the lease. This capital cost is amortized on a straight line basis at a rate of 25% per year. Future obligations under the lease are limited to annual maintenance and lease administration fees. These fees will be accounted for as expenses in the year that they are paid.

### (h) Depreciation

#### (i) Construction and Maintenance Equipment

Construction and maintenance equipment is depreciated on a unit of use basis (hours or kms.). The depreciation rate per unit of use for each item is calculated to recover the capital cost of that item, less the residual value, over the life expectancy of the equipment.

#### (ii) Other Equipment

Salt storage bins are depreciated on a straight-line basis at a rate of 5% per year.

For all other equipment, depreciation is calculated as follows:

- Items costing \$1,000 or more are depreciated on the straight line basis at a rate of 10% per year.
- Items costing less than \$1,000 are depreciated at a flat rate of \$100 per year.

#### (iii) Saskatchewan Property Management Corporation Central Vehicle Agency Units

Major additions or modifications made to motor vehicle units leased from the Saskatchewan Property Management Corporation are treated as capital cost additions. Depreciation is calculated on the capital cost additions for a unit on a straight line basis over the remaining term of the lease for that unit.

### (i) Equipment Rental Rates

The rental rates charged by the Revolving Fund for use of its construction and maintenance equipment are calculated to return to the Revolving Fund by way of rentals, sufficient funds to recover the following Revolving Fund costs:

- (i) depreciation provision
- (ii) repair and overhaul costs
- (iii) operating costs of fuel and oil
- (iv) administration costs of the stores and repair depots and Revolving Fund office together with licence registration and insurance fees.

Each of the foregoing components of the rental rate is reviewed annually, revised as required, and approved by the Minister of Highways and Transportation.

### (j) Construction Revenue

The Revolving Fund uses the completed contract method to recognize construction revenue on custom and other work whereby revenues are recognized as projects are completed. Amounts received before projects are completed are reflected as unearned revenue.

### (k) Construction Work in Progress

Construction work in progress represents the actual cost of work performed on projects that are not completed. These costs will be recorded as expenditures when the corresponding revenues are recognized.

## 2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 21 of The Highways Act and is continued under Section 14 of The Department of Highways and Transportation Act.

The purpose of the Revolving Fund is to provide equipment, materials and labour for certain departmental programs and for custom work projects to permit the equitable distribution of the cost of such services.

## 3. Authorized Financing

Subsection 14(10) of The Department of Highways and Transportation Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$80,000,000 was established by Order-in-Council in April 1983.

## Highways Revolving Fund

### 4. Surcharges

Surcharges levied by the Revolving Fund pursuant to its governing act are required by Treasury Board to be returned to the Consolidated Fund. Accordingly, any such surcharges are recorded as a liability when invoiced.

### 5. Accounts Receivable

Accounts receivable include \$654,618 (1988 — \$671,391) receivable from the Department of Highways and Transportation.

### 6. Construction, Maintenance and Other Equipment

Details of this equipment are as follows:

	1989		1988	
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Equipment in service:				
Construction and maintenance equipment .....	\$ 75,188,773	\$ 39,565,235	\$ 35,623,538	\$ 36,030,799
Repair shop equipment .....	1,419,455	1,196,645	222,810	166,106
Office equipment .....	41,140	23,794	17,346	20,981
Computer equipment — leased .....	200,293	.....	200,293	.....
Total .....	<u>\$ 76,849,661</u>	<u>\$ 40,785,674</u>	<u>36,063,987</u>	<u>36,217,886</u>
Less allowance for reduction in net realizable value of equipment withdrawn from service and set aside for resale .....			.....	(204,815)
			<u>\$ 36,063,987</u>	<u>\$ 36,013,071</u>

Depreciation has been provided for in the amount of \$3,307,692 in the current year (1988 — \$3,209,806).

### 7. Segmented Information

	Stores and Repair Depot	Equipment Rental	Custom and Other Work	Elimination of Inter-Segment Transactions	1989	1988
Revenue:						
Sales or gross revenue.....	\$ 13,206,438	\$ 18,468,530	\$ 4,427,235	\$ 8,629,327	\$ 27,472,876	\$ 30,867,368
Other revenue.....	149,506	.....	.....	.....	149,506	27,784
Gain (loss) on sale of fixed assets ....	.....	(25,690)	.....	.....	(25,690)	(250,008)
Total revenue.....	<u>13,355,944</u>	<u>18,442,840</u>	<u>4,427,235</u>	<u>8,629,327</u>	<u>27,596,692</u>	<u>30,645,144</u>
Expenses:						
Cost of sales.....	13,206,438	.....	3,882,714	1,149,099	15,940,053	18,266,713
Other operating expenses .....	2,665,837	16,138,115	3,729	7,480,228	11,327,453	10,370,906
Total operating expenses.....	<u>15,872,275</u>	<u>16,138,115</u>	<u>3,886,443</u>	<u>8,629,327</u>	<u>27,267,506</u>	<u>28,637,619</u>
Segment margin.....	<u>\$ (2,516,331)</u>	<u>\$ 2,304,725</u>	<u>\$ 540,792</u>	<u>\$ .....</u>	<u>\$ 329,186</u>	<u>\$ 2,007,525</u>

A substantial portion of the sales of the Stores and Repair Depots represents internal charges to the Equipment Rental Operation for the repair of rental equipment. These charges are reflected as direct expenses of the Equipment Rental Operation and have been eliminated in the statement of operations and accumulated operating surplus. Other eliminations have also been made with respect to internal sales of materials and internal rental charges.

### 8. Related Party Transactions

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, field service and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs is reflected in these financial statements. Where surcharges are assessed to recover such costs, they are accounted for in accordance with the accounting policy described in note 4.

### 9. Comparative Information

Certain 1988 financial information has been reclassified to conform with 1989 presentation.

## Department of Parks, Recreation and Culture Commercial Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Commercial Revolving Fund as at March 31, 1989 and the statements of operations and accumulated operating deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 25, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Cash .....	\$ 8,224	\$ 17,296
Deposits with Minister of Finance .....	11,498	13,344
Accounts receivable .....	268,833	138,582
Inventories .....	192,816	196,034
Total current assets .....	481,371	365,256
Fixed assets (Note 2) .....	1,612,558	1,454,552
Total Assets .....	<u>\$ 2,093,929</u>	<u>\$ 1,819,808</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable .....	\$ 79,732	\$ 29,015
Accrued wages payable .....	103,506	24,409
Deposits for room reservations .....	11,498	13,344
Total current liabilities .....	194,736	66,768
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	5,906,855	5,503,361
Accumulated operating deficit (Statement 2) .....	(4,007,662)	(3,750,321)
Total Fund Equity .....	1,899,193	1,753,040
Total Liabilities and Fund Equity .....	<u>\$ 2,093,929</u>	<u>\$ 1,819,808</u>

(See accompanying notes to the financial statements)



## Department of Parks, Recreation and Culture Commercial Revolving Fund

### Statement of Operations and Accumulated Operating Deficit Year Ended March 31

### Statement 2

	1989	1988
Sales: Dining/Restaurant/Store .....	\$ 684,413	\$ 803,843
Cost of goods sold .....	283,492	355,138
Gross profit .....	400,921	448,705
Other revenue:		
Campground .....	1,930,026	1,969,486
Park entry .....	1,029,971	1,048,532
Accommodation .....	579,247	879,820
Revenue from other agencies (Note 3) .....	1,100,000	1,100,000
Cottage lots/permits .....	806,250	809,338
Fire protection fees .....	1,617	1,597
Golf fees .....	383,731	378,343
Commercial leases .....	389,013	321,746
Hall rental .....	102,370	89,732
Surface leases .....	91,155	—
Coin operations .....	51,570	60,641
Golf equipment rental .....	35,804	37,227
Swim (lessons and pool fees) .....	166,582	152,593
Other fee rental revenue .....	10,833	13,632
Hay and grazing fees .....	90,610	—
Miscellaneous revenue .....	210,309	223,789
Gain on disposal of fixed assets .....	14,024	5,382
License vendor premiums .....	—	(1,372)
Total revenue .....	7,394,033	7,539,191
Expenses:		
Wages .....	7,562,578	7,463,940
Materials, supplies, freight .....	699,996	744,535
Travel, sustenance .....	76,138	47,370
Vehicle rental (CVA) .....	659,125	645,008
Utilities .....	618,246	561,370
Repairs and maintenance .....	516,554	452,812
Equipment rental .....	373,854	312,553
Commission/auctioneer fees .....	3,257	—
Depreciation .....	361,618	303,947
Other fuel .....	67,851	88,109
Publicity and advertising .....	100,772	96,687
Gas, oil, lubricants .....	67,808	87,163
Postage and communications .....	138,143	126,863
Vendor licenses .....	1,667	118,050
Other expenses .....	36,167	12,197
Total expenses .....	11,283,774	11,060,604
Net loss .....	3,889,741	3,521,413
Accumulated operating deficit, beginning of year .....	3,750,321	3,614,908
Subsidy from Consolidated Fund .....	(3,632,400)	(3,386,000)
Accumulated operating deficit, end of year — (Statement 1) .....	\$ 4,007,662	\$ 3,750,321

(See accompanying notes to the financial statements)

## Department of Parks, Recreation and Culture Commercial Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

### Statement 3

	1989	1988
Financing Requirements of (recovery by) the Revolving Fund:		
Net capital acquisitions:		
Purchase of fixed assets	\$ 533,939	\$ 434,075
Proceeds from sale of fixed assets	(28,339)	(6,979)
	<u>505,600</u>	<u>427,096</u>
Working capital changes:		
Decrease in cash	(9,072)	(5,823)
Increase in accounts receivable	130,251	89,183
Decrease in deposit with Minister of Finance	(1,846)	(30,840)
Decrease in inventories	(3,218)	(30,045)
Increase in accounts payable	(50,717)	(7,613)
Increase in accrued wages payable	(79,097)	(2,832)
Decrease in deposits for room reservations	1,846	30,840
	<u>(11,853)</u>	<u>42,870</u>
Recovery of prior year's losses from the Consolidated Fund	<u>(3,632,400)</u>	<u>(3,386,000)</u>
Less amount required to finance operations:		
Loss from operations	3,889,741	3,521,413
Items not involving an outflow of funds:		
Provision for depreciation	(361,618)	(303,947)
Gain on disposal of fixed assets	14,024	5,383
	<u>3,542,147</u>	<u>3,222,849</u>
Net cash expenditure	<u>403,494</u>	<u>306,815</u>
Accumulated net expenditure, beginning of year	<u>5,503,361</u>	<u>5,196,546</u>
Accumulated net expenditure, end of year (Statement 1)	<u>\$ 5,906,855</u>	<u>\$ 5,503,361</u>

(See accompanying notes to the financial statements)

### Notes to the Financial Statements

Year Ended March 31, 1989

#### 1. Accounting Policies

##### a) Authority and Definition of Reporting Entity

The authority for this revolving fund is Section 14 of The Renewable Resources, Recreation and Culture Act. The purpose of the revolving fund is to finance and provide a system of accounting for the commercial operation of government owned and operated facilities required to promote and develop culture and the use and enjoyment of parks and renewable resources in the province.

##### b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### c) Net Cash Expenditure (Recovery)

The net cash expenditure for a fiscal year is the total cash outflow from the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of operating deficits of the revolving fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances.
- Net cash expenditure (recovery) for each fiscal year thereafter.
- The transfer amount of assets acquired at no extra charge.

## Department of Parks, Recreation and Culture Commercial Revolving Fund

### e) Authorized Financing

Section 14(10) of The Renewable Resources, Recreation and Culture Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$7,000,000 was established by Order-in-Council in February, 1983.

### f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 14(4) of The Renewable Resources, Recreation and Culture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Commercial Revolving Fund shall be \$4,500,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid into (from) the Consolidated Fund.

### g) Inventories

Inventories consist of goods held for resale in park confectioneries and stores, and maps, books, and photographs held at the regional, district and park offices. Inventories are valued at the lower of cost or net realizable value. Items such as gas, oil and grease, repair and maintenance supplies and firewood are not included in inventories in the financial statements but are expensed when purchased.

### h) Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and related accumulated depreciation of items retired or disposed of are removed from the records and any gains or losses are included in the income statement.

Depreciation is calculated on the straight line basis with the annual rates being 15% for equipment and 10% for furnishings.

## 2. Fixed Assets

	1989		1988	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment .....	\$ 4,207,547	\$ 2,731,047	\$ 1,476,500	\$ 1,383,698
Furniture and fixtures .....	273,786	137,728	136,058	70,854
	<u>\$ 4,481,333</u>	<u>\$ 2,868,775</u>	<u>\$ 1,612,558</u>	<u>\$ 1,454,552</u>

## 3. \$1,100,000 was received from the Public Service Commission to fund the operation of the Summer Student Work Program.

## 4. Segmented Information

The revolving fund's total sales \$684,413 (1988 — \$803,843), gross profit \$400,921 (1988 — \$448,705) and net loss of \$3,889,741 (1988 — loss \$3,521,413) are comprised of the following:

	Echo Valley Centre		Parks Operations	
	1989	1988 restated	1989	1988 restated
Sales .....	\$ 513,713	\$ 460,301	\$ 170,700	\$ 343,542
Cost of Sales .....	150,558	141,099	132,934	214,039
Gross Profit .....	363,155	319,202	37,766	129,503
Other Revenue .....	493,785	438,920	6,499,327	6,651,566
	<u>856,940</u>	<u>758,122</u>	<u>6,537,093</u>	<u>6,781,069</u>
Expenses .....	1,160,400	1,038,090	10,123,374	10,022,514
Net loss .....	<u>\$ (303,460)</u>	<u>\$ (279,968)</u>	<u>\$ (3,586,281)</u>	<u>\$ (3,241,445)</u>

## 5. Costs Borne by Other Agencies

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.



## Resource Protection and Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Resource Protection and Development Revolving Fund as at March 31, 1989, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 28, 1989.

G. F. Wendel, C.A.,  
A/Provincial Auditor.

### Statement of Financial Position

As at March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Petty cash .....	\$ 50	\$ 50
Accounts receivable (Note 8) .....	2,983,662	4,152,442
Inventory .....	1,409,184	1,029,286
Prepaid expenses .....	109,453	102,644
	<u>4,502,349</u>	<u>5,284,422</u>
Non Current:		
Equipment (Note 6) .....	2,348,519	2,376,465
Land development .....	16,219	25,776
	<u>2,364,738</u>	<u>2,402,241</u>
	<u>\$ 6,867,087</u>	<u>\$ 7,686,663</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable (Note 8) .....	\$ 279,497	\$ 366,887
Equity:		
Accumulated operating surplus (deficit) (Statement 2) .....	(184,795)	(132,063)
Accumulated net expenditure (Statement 3) .....	6,772,385	7,451,839
	<u>6,587,590</u>	<u>7,319,776</u>
	<u>\$ 6,867,087</u>	<u>\$ 7,686,663</u>

(See accompanying notes)

## Resource Protection and Development Revolving Fund

### Statement of Operations and Accumulated Operating Surplus

Statement 2

Year Ended March 31

	1989	1988
<b>Revenue:</b>		
Equipment rental and recoveries	\$ 623,582	\$ 808,282
Expenditures billed to Government Agencies:		
Department of Parks, Recreation and Culture for fire suppression	31,359,313	30,972,962
Other agencies		
— Capital projects	4,408,186	3,364,271
— Fish enhancement	250,665	244,073
— Forestry	4,935,905	1,045,508
— Service provided to Northern Revenue Sharing Trust Account regarding collection of leases	292,354	179,829
Fire suppression expenditures recovered from other sources	444,726	2,754,430
Radio communications	1,110,735	1,134,127
Cottage lot leases	17,924	7,250
	<u>43,443,390</u>	<u>40,510,732</u>
<b>Expenses:</b>		
Rental of equipment, building and aircraft	16,136,632	18,795,949
Labour, travel and sustenance	13,860,216	12,061,648
Repair and overhaul of equipment	865,337	742,523
Fuel, materials and supplies	3,730,939	3,656,261
Depreciation	344,023	397,772
Miscellaneous operating	3,025,862	2,060,587
Land development	9,558	7,000
General and administrative	341,983	201,440
Contractual services	5,181,572	2,601,853
	<u>43,496,122</u>	<u>40,525,033</u>
Current year operating surplus (deficit)	(52,732)	(14,301)
Accumulated surplus (deficit), beginning of year	(132,063)	(117,762)
Accumulated surplus (deficit), end of year (Statement 1)	<u>\$ (184,795)</u>	<u>\$ (132,063)</u>

(See accompanying notes)

### Statement of Financing Activities and Accumulated Net Expenditure

Statement 3

Year Ended March 31

	1989	1988
<b>Financing Requirements of the Revolving Fund</b>		
Net capital acquisition:		
Purchase of equipment	\$ 441,451	\$ 430,158
Less proceeds from sale of equipment	(58,898)	(184,881)
Land development	(9,558)	(6,861)
	<u>372,995</u>	<u>238,416</u>
Working capital changes:		
Increase (decrease) in accounts receivable	(1,168,780)	4,072,819
Increase (decrease) in inventories	379,899	144,853
Increase in prepaid expenses	6,808	79,332
Decrease (increase) in accounts payable	87,390	(303,545)
	<u>(694,683)</u>	<u>3,993,459</u>
Total Financing Requirements	<u>(321,688)</u>	<u>4,231,875</u>
Less amount financed by operations:		
Net income (loss)	(52,732)	(14,301)
Items not requiring an outlay (generating an inflow) of funds:		
— Depreciation	344,023	397,772
— Loss/(Gain) on disposal of equipment	66,475	(16,386)
	<u>357,766</u>	<u>367,085</u>
Net expenditure (recovery)	<u>(679,454)</u>	<u>3,864,790</u>
Accumulated net expenditure, beginning of year	7,451,839	3,587,049
Accumulated net expenditure, end of year (Statement 1)	<u>\$ 6,772,385</u>	<u>\$ 7,451,839</u>

(See accompanying notes)

## Resource Protection and Development Revolving Fund

### Notes to Financial Statements

March 31, 1989

#### 1. Significant Accounting Policies

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end pertaining to goods and services received in the preceding fiscal year are recorded as paid in the preceding fiscal year.

##### b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions;
- ii) the lower of the net book value or fair market value of assets acquired (disposed of) at no charge from (to) another government agency;
- iii) the net cash expenditure (recovery) for each fiscal year thereafter.

##### d) Inventory

Inventory of materials and supplies is valued at the lower of cost or replacement cost.

##### e) Land Development

The recreational subdivision program develops recreational lots for lease to the public. The asset value reflects costs to March 31, 1989 incurred on lot development less amounts written off in respect of lots not expected to be leased. The remaining development costs are expected to be recovered when the subdivisions are leased.

##### f) Depreciation

Construction equipment is depreciated on a unit of use basis (hours, months or miles). The depreciation rate per unit of use for each item is calculated to recover the capital cost of that item, less residual value, over the life expectancy of the equipment.

Depreciation of radio communications equipment is calculated on a straight-line basis with the current annual rate being 8.34% of cost.

Depreciation on garage, shop and office equipment is calculated on the straight-line basis with the current annual rate being 10% of cost.

#### 2. Authority and Definition of Entity

The authority for this Revolving Fund was originally established under Section 11 of The Department of Tourism and Renewable Resources Act, and as of May 16, 1983, continues under Section 13 of The Renewable Resources, Recreation and Culture Act.

The purpose of the Revolving Fund is to provide a system of accounting for the provision of labour, machinery, equipment, materials, supplies, and technical, supervisory and administrative services that are required for the construction, maintenance, repair, alteration, extension or improvement of buildings, structures, recreation facilities, roads, dams, bridges, ditches, fireguards or other works of similar nature; and for the provision of a radio communications service which includes the establishment, construction, maintenance and operation of radio communications networks; and for the acquisition and development of recreation sites.

#### 3. Authorized Financing

Subsection 13(10) of The Renewable Resources, Recreation and Culture Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$12,000,000 by authority of Order-in-Council 315/83.

## Resource Protection and Development Revolving Fund

### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 13(4) of The Renewable Resources, Recreation and Culture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be \$200,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into/from the Consolidated Fund.

### 5. Segmented Information

	Equipment Rental	Fire Suppression	Capital Projects	Radio Comm.	Forestry	Other	Total
Revenue ..	\$ 623,582	\$ 31,798,039	\$ 4,408,186	\$ 1,110,735	\$ 4,935,905	\$ 566,943	\$ 43,443,390
Expenses ..	688,790	31,798,039	4,408,186	1,112,627	4,935,905	552,575	43,496,122
Current Year Operating Surplus/ (Deficit) ..	\$ (65,208)	\$ —	\$ —	\$ (1,892)	\$ —	\$ 14,368	\$ (52,732)
1988 Operating Surplus/ (Deficit) ..	\$ 13,064	\$ —	\$ —	\$ (16,814)	\$ —	\$ (10,551)	\$ (14,301)

### 6. Equipment

	1989			1988	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Equipment Rental .....	\$ 3,050,389	\$ 1,639,758	\$ 1,410,631	\$ 1,425,453	
Radio Communications .....	1,948,880	1,010,992	937,888	951,012	
	<u>\$ 4,999,269</u>	<u>\$ 2,650,750</u>	<u>\$ 2,348,519</u>	<u>\$ 2,376,465</u>	

### 7. Cost Recovery Programs

#### Fire Suppression Program

The Revolving Fund charges the Department of Parks, Recreation and Culture for all costs incurred for forest fire suppression (less amounts billed to others). As a result, the Revolving Fund has a zero current year operating surplus in the fire suppression segment of operations.

#### Capital Projects Program

The Revolving Fund charges the Saskatchewan Property Management Corporation and the Department of Parks, Recreation and Culture for all costs incurred for parks and renewable resources capital projects. As a result, the Revolving Fund has a zero current operating surplus in the capital projects segment of operations.

#### Fish Enhancement Program and Forestry Program

Costs incurred by the Revolving Fund for these programs are billed to other government agencies, resulting in no surplus or deficit to the Revolving Fund.

### 8. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain occupancy, financing, administrative and certain other costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Included in accounts receivable is a balance owing from provincial government departments or agencies of \$2,532,587 (1988 — \$1,413,196). Included in accounts payable is a balance owing to provincial government departments or agencies of \$270,659 (1988 — \$289,683).

Substantially all revenue, other than fire suppression expenditures recovered from other sources, arises from billings rendered to government departments, agencies and crown corporations.

### 9. Comparative Financial Information

Certain 1988 balances have been reclassified to conform with the current year's presentation.



## Northern Saskatchewan Economic Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Northern Saskatchewan Economic Development Revolving Fund as at March 31, 1989, the statement of operations and accumulated surplus (deficit) and the statement of financing activities for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1989, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
June 30, 1989.

W. G. Lutz, F.C.A.  
Provincial Auditor.

### Statement of Financial Position

As at March 31, 1989

### Statement 1

Assets	1989	1988
Loans receivable .....	\$ 9,287,605	\$ 9,042,958
Less allowance for doubtful accounts ....	1,606,864	1,386,262
	<u>\$ 7,680,741</u>	<u>\$ 7,656,696</u>
Accrued interest on loans .....	366,729	353,313
Less allowance for doubtful accounts ....	215,164	269,374
	<u>151,565</u>	<u>83,939</u>
Accounts receivable .....	16,320	.....
Investment in leased assets receivable ..	341,540	123,955
Less allowance for doubtful accounts ....	23,829	8,978
	<u>317,711</u>	<u>114,977</u>
Agreements for sale receivable .....	256,437	264,893
Less allowance for doubtful accounts ....	.....	1,518
	<u>256,437</u>	<u>263,375</u>
Inventory — repossessed assets .....	400,602	.....
Fixed assets — net book value .....	52,070	18,919
	<u>\$ 8,875,446</u>	<u>\$ 8,137,906</u>
<b>Liabilities and Equity</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities .....	\$ 25,831	\$ 21,308
Unearned revenue .....	67,036	7,883
Due to Minister of Finance (Statement 3) .....	7,680,741	7,646,544
	<u>7,773,608</u>	<u>7,675,735</u>
<b>Equity:</b>		
Accumulated net expenditure (Statement 3) .....	1,105,684	620,966
Accumulated surplus (deficit) (Statement 2) (Note 4) ....	(3,846)	(158,795)
	<u>1,101,838</u>	<u>462,171</u>
	<u>\$ 8,875,446</u>	<u>\$ 8,137,906</u>

(See accompanying notes)

## Northern Saskatchewan Economic Development Revolving Fund

### Statement of Operations and Accumulated Surplus (Deficit)

For the Year Ended March 31, 1989

### Statement 2

	1989	1988
Revenue .....	\$ 786,620	\$ 660,861
Expenses:		
Salaries .....	351,091	388,003
Provision for uncollectible loans .....	179,725	286,385
Sundry .....	57,800	21,038
Travel and vehicle .....	54,769	60,735
Loss on disposal of inventory — repossessed assets .....	36,653	.....
Loss (gain) on disposal of fixed assets .....	10,428	(25,848)
Total expenses .....	690,466	(730,313)
Net income (loss) .....	96,154	(69,452)
Accumulated surplus (deficit), beginning of year .....	(158,795)	(389,343)
Accumulated deficit recovered .....	58,795	300,000
Accumulated surplus (deficit), end of year .....	\$ (3,846)	\$ (158,795)

(See accompanying notes)

### Statement of Financing Activities

For the Year Ended March 31, 1989

### Statement 3

	1989	1988
Change in Accumulated Net Expenditure:		
Financing requirements of (recovery by) the Revolving Fund		
Net capital acquisitions:		
Purchase of assets .....	\$ 76,662	\$ 9,509
Proceeds from sale of fixed assets .....	(16,500)	(26,810)
	60,162	(17,301)
Working capital changes:		
Increase (decrease) in accrued interest .....	67,626	(59,974)
Increase (decrease) in accounts receivable .....	16,320	.....
Increase (decrease) in investment in leased assets receivable .....	202,734	(31,546)
Increase (decrease) in agreement for sale receivable .....	(6,938)	263,375
Increase (decrease) in inventory — repossessed assets .....	400,602	.....
Decrease (increase) in current liabilities .....	(73,828)	1,594
	606,516	173,449
Recovery of accumulated deficit .....	(58,795)	(300,000)
	607,883	(143,852)
Less amount required to finance operations (plus amounts generated by operations):		
Net loss (income) .....	(96,154)	69,452
Deduct items not requiring an outlay of funds:		
— depreciation .....	(16,583)	(2,826)
— gain (loss) on sale of fixed assets .....	(10,428)	25,848
	(123,165)	92,474
Net cash expenditure (recovery) .....	484,718	(51,378)
Accumulated net expenditure, beginning of year .....	620,966	672,344
Accumulated net expenditure, end of year (Statement 1) .....	\$ 1,105,684	\$ 620,966
Changes in Amount Due to Minister of Finance:		
Payments by Minister of Finance for loans .....	\$ 2,222,946	\$ 2,583,787
Less loans repaid to the Minister of Finance .....	(1,968,147)	(1,901,367)
Less provision for uncollectible loans, non-budgetary portion .....	(220,602)	(251,690)
Net increase in advances .....	34,197	430,730
Balance, beginning of year .....	7,646,544	7,215,814
Balance, end of year (Statement 1) .....	\$ 7,680,741	\$ 7,646,544

(See accompanying notes)

## Northern Saskatchewan Economic Development Revolving Fund

### Notes to the Financial Statements

March 31, 1989

#### 1. Accounting Policies:

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year end which are incurred prior to year end are recorded as paid in the previous year.

##### b) Due to the Minister of Finance

This amount represents non-budgetary advances made by the Minister of Finance to provide funds for the loan program, less repayments of loans and less an allowance for doubtful accounts.

##### c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the net cash outflow (inflow) from the Consolidated Fund to finance net capital acquisitions, working capital requirements and temporary financing of operating deficits of the revolving fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the revolving fund in respect of budgetary working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund revenue and expense activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### e) Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and accumulated depreciation of items retired or disposed of are removed from the books and any gains or losses are included in the statement of operations.

Depreciation of all fixed assets is charged to the operations of the Revolving Fund commencing in the first full month that each asset is used and is computed by dividing the cost less estimated salvage value by the estimated useful life of the assets.

The following rates apply:

Assets	Rates
Office equipment	10%
Buildings	5%

##### f) Inventory — Repossessed Assets

Inventory — repossessed assets are stated at the lower of their net book value and net realizable value at the date of repossession of the assets. When repossessed assets are sold, any gain or loss resulting from the sale is recorded in the statement of operations.

##### g) Leases

Finance income related to the direct financing leases is recognized in a manner that produces a constant rate of return on the investment in the lease. The investment in the lease for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

#### 2. Authority and Definition of Accounting Entity:

The authority for the establishment of this Revolving Fund is contained in Section 5 of The Northern Saskatchewan Economic Development Act and Sections 7.1 and 9.1 of The Department of Economic Development and Tourism Act and the accounting policies are set forth in the regulations authorized by Treasury Board. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of material and services as permitted by these Acts.

#### 3. Authorized Financing:

Sections 9.1(13) and 9.1(14) of The Department of Economic Development and Tourism Act provide for the maximum of accumulated net expenditures and advances which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. Under authority of order in council 1046/88 dated December 14, 1988, the maximum amounts have been set at \$1,500,000 for accumulated net expenditures and \$20,000,000 for advances.



## Northern Saskatchewan Economic Development Revolving Fund

### 4. Disposition of Accumulated Operating Surplus or Deficit:

Treasury Board under authority of Sections 12 and 13 of The Financial Administrations Act, has specified that the maximum accumulated surplus/deficit for the Northern Saskatchewan Economic Development Revolving Fund shall be \$100,000. Treasury Board has also stated that any accumulated surplus (deficit) in excess of the maximum at the end of a fiscal year shall within 15 months be paid into (from) the Consolidated Fund.

### 5. Loans:

Loans bear interest at a rate established by order of the Minister of Economic Development and Tourism and normally are repayable over a period not exceeding ten years. Security on individual loans varies according to what is considered adequate in the particular circumstances and includes promissory notes, mortgages on real property, chattel mortgages and insurance on assets and on the lives of borrowers.

The provision for uncollectible loans is determined by personnel of the Revolving Fund through analysis of each loan, taking into account repayment history and other relevant information concerning the operation of the loan recipient.

### 6. Related Party Transactions:

In accordance with established government policy the Revolving Fund has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs are absorbed by various departmental appropriations.

Certain direct costs, including accounting and administrative costs related to the loans program, have been paid by The Department of Economic Development and Tourism and have not been reflected in these financial statements.



## **Other Financial Statements**

## Carlton Trail Regional College

### Auditor's Report

Members of the Board  
Carlton Trail Regional College  
Humboldt, Saskatchewan S0K 2A0

We have examined the operating fund and capital fund balance sheets of Carlton Trail Regional College as at June 30, 1988 and the statements of revenue, expenses and surplus and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Carlton Trail Regional College as at June 30, 1988 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year, except as per Note 1(c).

Wynyard, Saskatchewan,  
February 3, 1989

E. J. C. Dudley & Co.  
Chartered Accountants

### Balance Sheets

as at June 30, 1988

	1988		1987	
	Capital Fund	Operating Fund	Total	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash .....	\$ .....	\$ 95,818	\$ 95,818	\$ 114,867
Accounts Receivable .....	.....	146,674	146,674	40,564
Prepaid Expenses .....	.....	3,209	3,209	.....
Short Term Investments .....	.....	.....	.....	.....
Inventory .....	.....	322	322	322
Deferred Charges .....	.....	.....	.....	.....
Due from Operating Fund .....	8,846	.....	8,846	18,811
<b>Total Current Assets</b> .....	\$ 8,846	\$ 246,023	\$ 254,869	\$ 174,564
<b>Fixed Assets (Note 1)</b> .....	77,079	.....	77,079	62,126
<b>Leasehold Improvements (Note 1)</b> .....	.....	.....	.....	.....
	<u>\$ 85,925</u>	<u>\$ 246,023</u>	<u>\$ 331,948</u>	<u>\$ 236,690</u>

### Liabilities and Fund Balances

<b>Current Liabilities</b>				
Accounts Payable and Accrued .....	\$ .....	\$ 47,329	\$ 47,329	\$ 28,651
Deferred Income .....	.....	575	575	.....
Bank Overdraft .....	.....	.....	.....	.....
Deposits .....	.....	.....	.....	.....
Due to Capital Fund .....	.....	8,846	8,846	18,811
<b>Total Current Liabilities</b> .....	\$ .....	\$ 56,750	\$ 56,750	\$ 47,462
<b>Unappropriated Fund Balance</b> .....	.....	189,273	189,273	108,291
<b>Appropriated Fund Balance</b> .....	85,925	.....	85,925	80,937
	<u>\$ 85,925</u>	<u>\$ 246,023</u>	<u>\$ 331,948</u>	<u>\$ 236,690</u>

See accompanying notes

## Carlton Trail Regional College

### Statement of Revenues and Expenditures

for the year ended June 30, 1988

	1988		1987	
	Total		Total	
<b>Revenues</b>				
Saskatchewan Education .....	\$	1,197,730	\$	1,114,362
Federal Government .....		376,686		.....
Other (Note 2) .....		239,288		211,916
<b>Total</b> .....	\$	1,813,704	\$	1,326,278
<b>Expenditures</b>				
Capital Expenditures .....	\$	15,064	\$	.....
Leasehold Improvements .....		.....		.....
Contractual and Professional Services .....		486,276		327,705
Rentals .....		128,699		118,869
Repairs and Maintenance .....		17,692		15,226
Operating Expenses (Schedule 3) (Note 2) .....		309,400		220,291
Personal Services .....		775,591		603,420
<b>Total</b> .....	\$	1,732,722	\$	1,285,511
Excess of Revenues over Expenditures before Appropriation .....		80,982		40,767
Current Year Appropriation .....		.....		.....
Excess of Revenues over Expenditures .....	\$	80,982	\$	40,767

See accompanying notes

### Statement of Changes in Fund Balances

for the year ended June 30, 1988

	1988				1987	
	Capital Fund	Operating Fund	Unappropriated	Appropriated	Total	Total
Fund Balance, Beginning of Year ....	\$	80,937	\$	108,291	\$	189,228
Excess of Revenues Over Expenditures ...		.....		80,982		80,982
Transfer from Operating Fund .....		3,000		.....		3,000
Current Year Appropriation .....		.....		.....		.....
		83,937		189,273		273,210
Purchase of Capital Assets (Note 1) .....		15,064		.....		15,064
Disposal of Capital Assets .....		(76)		.....		(76)
Transfer to Operating Fund (Note 2) .....		(13,000)		.....		(13,000)
Provision for Depreciation (Note 1) .		.....		.....		.....
						(15,531)
Fund Balance, End of Year .....	\$	85,925	\$	189,273	\$	275,198
						189,228

See accompanying notes

# **Carlton Trail Regional College**

## **Schedule of Revenues by Function** for the Year Ended June 30, 1988

**Schedule 1**

	Administration			Programming				Support Services			
	General Revenue	Community and Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	1988 Total	1987 Total		
Saskatchewan Education											
Administrative Recovery	\$ 74,232	\$	\$	\$	\$	\$	\$	\$ 74,232	\$	\$ 86,818	
Fiat Grant	563,805							563,805		522,492	
Program Payments		899	182,377	341,680		11,970	22,767	559,693		505,052	
Other											
Total	\$ 638,037	\$ 899	\$ 182,377	\$ 341,680	\$	\$ 11,970	\$ 22,767	\$ 1,197,730	\$	\$ 1,114,362	
Federal Government											
CJS Seat Purchases	2,267		17,957	1,758				21,982			
CJS Projects	38,055			301,305			15,344	354,704			
Other											
Total	\$ 40,322	\$	\$ 17,957	\$ 303,063	\$	\$	\$ 15,344	\$ 376,686	\$		
Other											
Administrative Recovery											
Contracts											
Interest and dividends	13,300									5,200	
Rents	9,774							13,300		5,832	
Resale Items		8,284	212	5,380				15,154		12,690	
Tuitions		70,527	2,963	28,554				37,050		22,835	
Other (Note 2)		1,738	2,963	52,213	13,248			138,951		148,925	
Total	\$ 23,136	\$ 80,549	\$ 3,175	\$ 96,106	\$ 13,248	\$	\$	\$ 239,288	\$	\$ 16,434	
Total Revenues	\$ 724,569	\$ 81,448	\$ 203,509	\$ 740,849	\$ 13,248	\$ 11,970	\$ 38,111	\$ 1,813,704	\$	\$ 1,326,278	

See accompanying notes

Carlton Trail Regional College

Schedule of Expenditures by Function  
for the Year Ended June 30, 1988

Schedule 2

	General Administration			Community and Individual Development		Programming			Support Services		
	Board	General Administrative	Organizational	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services			
Capital Expenditures .....	\$ .....	\$ 11,799	\$ 2,022	\$ .....	\$ 1,243	\$ .....	\$ .....	\$ .....	\$ .....	\$ 15,064	\$ .....
Leasehold Improvements .....	.....	10,341	705	56,230	11,605	388,053	17,563	1,779	.....	486,276	327,705
Contractual and Professional Services .....	.....	17,077	17,445	14,082	8,862	68,261	629	2,343	.....	128,699	118,869
Rentals .....	.....	10,987	2,599	.....	1,439	2,667	.....	.....	.....	17,692	15,226
Repairs and Maintenance .....	.....	13,470	43,972	56,427	32,138	82,066	7,324	5,275	38,110	309,400	220,291
Operating (Schedule 3) (Note 2) .....	.....	12,961	134,990	252,546	428	192,150	2	31,295	.....	775,591	603,420
Personal services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Expenditures .....	\$ 26,431	\$ 229,166	\$ 331,744	\$ 102,878	\$ 203,743	\$ 734,440	\$ 25,518	\$ 40,692	\$ 38,110	\$ 1,732,722	\$ 1,285,511

See accompanying notes

Schedule of Operating Expenses  
for the Year Ended June 30, 1988

Schedule 3

for the Year Ended June 30, 1988

	General Administration			Community and Individual Development		Programming			Support Services		
	Board	General Administrative	Organizational	Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	1988 Total	1987 Total
Advertising .....	\$ .....	\$ 1,590	\$ 4	\$ 4,255	\$ 952	\$ 8,024	\$ 3,040	\$ .....	\$ .....	\$ 17,865	\$ 11,758
Association Fees and Dues .....	6,213	450	.....	.....	.....	.....	.....	.....	.....	6,663	3,693
Bad Debts .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,661
Bank Charges and Interest .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Computer Software .....	.....	1,666	.....	.....	.....	.....	.....	.....	.....	1,666	.....
Conference Fees .....	890	317	1,717	100	1,019	.....	.....	.....	.....	4,043	4,772
Equipment Under \$500 per item .....	.....	1,245	206	.....	3,393	135	.....	.....	.....	4,979	1,159
Inservice Training Fees .....	.....	.....	805	.....	100	388	.....	.....	.....	1,293	1,526
Insurance .....	.....	4,278	.....	.....	.....	500	.....	.....	.....	4,778	4,614
Licences and Taxes .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Materials and Supplies .....	.....	7,855	3,167	1,768	11,515	9,299	.....	900	.....	34,504	35,346
Postage, Freight and Courier .....	.....	3,658	2,946	2,141	842	6,996	1,610	.....	.....	18,193	19,253
Printing and Duplicating .....	295	5	851	3,743	.....	6,984	2,674	.....	.....	14,552	9,589
Resale Items .....	.....	.....	.....	7,645	33	24,479	.....	.....	.....	32,157	20,841
Subscriptions .....	.....	451	201	.....	58	.....	.....	.....	.....	710	371
Telephone .....	40	7,446	22,988	77	2,406	8,484	.....	800	.....	42,221	28,316
Travel .....	5,718	7,386	23,536	12,269	8,062	9,353	.....	3,575	16,988	86,887	50,119
Utilities .....	.....	4,125	.....	.....	2,066	5,453	.....	.....	.....	11,644	12,925
Other (Note 2) .....	314	3,500	26	140	172	1,971	.....	.....	21,122	27,245	14,348
Total .....	\$ 13,470	\$ 43,972	\$ 56,427	\$ 32,138	\$ 30,618	\$ 82,066	\$ 7,324	\$ 5,275	\$ 38,110	\$ 309,400	\$ 220,291

See accompanying notes



# Carlton Trail Regional College

## Notes to the Financial Statements

For the Year Ended June 30, 1988

### 1. Significant Accounting Policies

#### a) General

Legislation enacted during 1988 requires that the College observe the policies and other stipulations of the Regional Colleges Accounting and Reporting Manual. Accordingly, accounts have been maintained and information is presented in compliance with the requirements of the said Manual.

#### b) Fund Accounting

Fund accounting is recommended by the Regional Colleges Accounting and Reporting Manual — Carlton Trail Regional College thus continues to utilize two funds, namely the Capital Fund and the Operating Fund.

The Capital Fund serves to identify those assets owned by the College and expected to benefit the College over an extended period of time. Any liabilities associated with these assets are also recorded in the Capital Fund.

The Operating Fund accommodates the recording and reporting of the routine operational activities of the College on a year by year basis.

The Regional Colleges Accounting and Reporting Manual introduces one modification to the traditional basis of fund accounting by requiring that all acquisitions of capital assets be recorded as an expenditure of the Operating Fund in the year of acquisition. Accordingly, current acquisitions of fixed assets are reflected in the attached Statement of Revenues and Expenditures.

#### c) Depreciation and Amortization

Prior to the current fiscal year, Carlton Trail Regional College followed the practice of recording annual depreciation of fixed assets to reflect the gradual diminuation of the remaining use life of assets recorded in the Capital Fund. Similarly, the cost of leasehold improvements were amortized over the term of the initial lease. Both depreciation and amortization were charged only against Equity in Capital Assets, and had no effect on the results of operations.

Commencing with the current fiscal year, these practices have been discontinued in accordance with recommendations of the Regional Colleges Accounting and Reporting Manual. This change has not been made retroactive.

### 2. Interfund Transfers

- a) As discussed in Note 1(b) above, the acquisition of capital assets is reported as an expenditure of the Operating Fund in the year of acquisition. In cases where such acquisitions are financed from sources other than current operations, a compensating entry is required to avoid distortion of the net results of operations for the year. For this reason, an expenditure of \$13,000 from the Capital Fund has been reported as a transfer to the Operating Fund, and is included in the total of \$23,136 of Other General Revenue on Schedule 1.
- b) A budgeted expenditure to transfer \$3,000 (\$10,000 in 1987) from the Operating Fund to the Capital Fund is included in General Administrative Expense — Other on Schedule 3.

### 3. Capital Assets

Capital assets of the College include the following:

	Original Cost	Depreciation/ Amortization Accumulated to June 30, 1987	Carrying Values	
			1988	1987
Furniture .....	\$ 48,694	\$ 38,832	\$ 9,862	\$ 9,862
Equipment .....	153,907	86,690	67,217	52,264
Leasehold Improvements .....	7,480	7,480	.....	.....
			<u>\$ 77,079</u>	<u>\$ 62,126</u>

### 4. Line of Credit

The College has established a line of credit to a maximum of \$100,000 with the Royal Bank of Canada, Humboldt, secured by an assignment of grants due from Saskatchewan Education. The line of credit was not utilized during the 1987/88 fiscal year.

## Carlton Trail Regional College

### 5. Significant Leases

The College is obligated under the following lease agreements:

- a) Administration Building: A five year lease which expires June 30, 1989 calls for the payment of rentals of \$2,500 per month.
- b) Technical Education Building: A two year lease which expires September 3, 1990 obligates the College to an annual rental payment of \$23,400.
- c) Davidson Offices: Quarterly payments of \$1,500 each are required by the terms of the three year lease which expires February 28, 1991.
- d) Equipment: The College is obligated to an annual payment of \$5,832 in respect of photocopier equipment. The lease term is five years and expires July 31, 1993.

### 6. Subsequent Events

Subsequent to balance sheet date, the College undertook to lease an alternate office and classroom facility in Watrous. The five year lease is renewable and obligates the College to monthly payments of \$665 commencing December 15, 1988.

### 7. Comparative Figures

Figures for the preceding year have been provided for comparison, and have been restated to conform to the account definitions and report format applicable to the current year.

## Cumberland Regional College

### Auditors' Report

Members of the Board  
Cumberland Regional College  
Nipawin, Saskatchewan

We have examined the operating fund and capital fund balance sheets of Cumberland Regional College as at June 30, 1988 and the statements of revenue and expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1988 and the results of its operations and the changes in fund balances for the year then ended, in accordance with the disclosed basis of accounting described in note 1 to the financial statements applied on a basis consistent with that of the preceding year after giving effect to the change in accounting policy with respect to depreciation as outlined in notes 1 and 5 of these financial statements.

Nipawin, Saskatchewan,  
December 8, 1988

Armstrong & Neumann  
Chartered Accountants

### Balance Sheet

June 30, 1988

### Statement 1

			1988	1987
	Capital Fund	Operating Fund	Total	Total
<b>Assets</b>				
Current Assets				
Cash .....	\$ —	\$ 67,953	\$ 67,953	\$ 55,492
Accounts receivable .....	—	119,883	119,883	33,741
Prepaid expenses .....	—	7,284	7,284	6,952
	—	195,120	195,120	96,185
Capital Assets (note 3) .....	130,658	—	130,658	98,696
Leasehold Improvements .....	8,505	—	8,505	8,505
	<u>\$ 139,163</u>	<u>\$ 195,120</u>	<u>\$ 334,283</u>	<u>\$ 203,386</u>
<b>Liabilities and Fund Balance</b>				
Current Liabilities				
Accounts payable and accrued liabilities .....	\$ —	\$ 59,954	\$ 59,954	\$ 14,466
Accountable advance .....	—	—	—	15,000
	—	59,954	59,954	29,466
Equity in Capital Fund Assets .....	139,163	—	139,163	107,201
Unappropriated Fund Balance .....	—	135,166	135,166	66,719
	<u>139,163</u>	<u>135,166</u>	<u>274,329</u>	<u>173,920</u>
	<u>\$ 139,163</u>	<u>\$ 195,120</u>	<u>\$ 334,283</u>	<u>\$ 203,386</u>

(See accompanying notes)

## Cumberland Regional College

### Statement of Revenue and Expenditures For the Year Ended June 30, 1988

#### Statement 2

	1988 Total	1987 Total
<b>Revenue</b>		
Saskatchewan Education .....	\$ 1,031,020	\$ 821,753
Federal Government .....	182,249	15,891
Other .....	117,217	110,999
<b>Total</b> .....	<b>1,330,486</b>	<b>948,643</b>
<b>Expenditures</b>		
Capital expenditures .....	31,962	5,020
Contractual and professional services .....	178,701	33,252
Rentals .....	98,248	119,193
Repairs and maintenance .....	10,554	11,299
Operating expenses (schedule 3) .....	336,253	206,821
Personal services .....	606,321	528,212
<b>Total</b> .....	<b>1,262,039</b>	<b>903,797</b>
<b>Excess of Revenue over Expenditures</b> .....	<b>\$ 68,447</b>	<b>\$ 44,846</b>

(See accompanying notes)

### Statement of Changes in Fund Balances For the Year Ended June 30, 1988

#### Statement 3

	1988			1987
	Capital Fund	Operating Fund	Total	Total
Fund balance, beginning of year .....	\$ 107,201	\$ 66,719	\$ 173,920	\$ 63,162
Adjustment for accumulated depreciation (notes 1 & 5) .....	.....	.....	.....	69,329
Fund balance, beginning of year — restated .....	107,201	66,719	173,920	132,491
Excess of revenue over expenditure .....	.....	68,447	68,447	44,846
	107,201	135,166	242,367	177,337
Purchase of capital assets .....	31,962	.....	31,962	5,020
Disposal of capital assets .....	.....	.....	.....	(8,437)
<b>Fund balance, end of year</b> .....	<b>\$ 139,163</b>	<b>\$ 135,166</b>	<b>\$ 274,329</b>	<b>\$ 173,920</b>

See accompanying notes

## Cumberland Regional College

### Notes to the Financial Statements

June 30, 1988

#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### Fund Accounting

A fund is a separate self-balancing set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

**Operating Fund:** This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the college. Included in the operating fund are expenditures for the acquisition of capital assets.

**Capital Fund:** This fund contains the capital assets of the college and the equity in the capital assets.

##### Capital Assets

Acquisitions of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The college uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the college in the year of disposal. In accordance with this stated accounting policy, the college does not charge depreciation on its capital assets.

#### 2. Leasehold Improvements

Leasehold improvements are accounted for in the same manner as the capital assets of the college.

#### 3. Capital Assets

Capital assets are comprised of the following balances:

	<u>1988</u>	<u>1987</u>
Equipment		
— audio visual and educational .....	\$ 65,431	\$ 46,234
— office .....	55,456	42,691
Films .....	2,996	2,996
Vehicles .....	6,775	6,775
	<u>\$ 130,658</u>	<u>\$ 98,696</u>

#### 4. Leases

The college currently leases office and classroom space in three urban centres. The terms of the leases follow:

	<u>Monthly Lease</u>	<u>Term of Lease</u>
Nipawin office .....	\$ 1,050	1 year
Melfort office .....	\$ 1,100	1 year
Tisdale office .....	\$ 475 plus escalation	1 year
Tisdale classrooms .....	\$ 818	1 year

The future minimum lease payments arising:

1989 \$ 41,316

#### 5. Comparative Figures

The policy stated with respect to capital assets whereby depreciation is not taken into the accounts is a change from previous policy. As a result, an adjustment was necessary to reverse accumulated depreciation of \$69,329 which had been reflected in the capital fund balance sheet and the statement of changes in capital fund balance. The prior year's figures have been restated to conform to the current year's presentation.

**Schedule of Revenue by Function**  
*For the Year Ended June 30, 1988*

Schedule of Revenue by Function															Schedule 1		
For the Year Ended June 30, 1988																	
General Administration															Totals		
	Board	Admin- istration	Organi- zational	General Revenue	Community and Individual Development			Adult Basic Education	On-the-Job Training	Vocational Technical	Programming			Support Services		1987 Total	1988 Total
											University Credit	Other	Career Services	Student Services			
Saskatchewan Education																	
Administrative recovery ..	\$	—	\$	\$ 51,732	\$	—	\$	—	\$	—	\$	—	\$	—	\$	51,732	\$ 50,004
Flat grant .....	—	—	—	481,953	—	—	—	—	—	—	—	—	—	—	—	481,953	431,244
Program payments .....	—	—	—	—	—	226,348	—	—	—	140,057	—	—	—	—	—	366,405	290,339
Other .....	—	—	—	8,786	—	—	—	—	—	—	—	—	—	—	—	130,930	50,166
Total .....	—	—	—	542,471	—	226,348	—	—	—	140,057	—	—	—	—	—	1,031,020	821,753
Federal Government																	
CJS seat purchases .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
CJS projects .....	—	—	—	—	—	88,145	—	—	—	90,202	—	—	—	—	—	178,347	—
Other .....	—	—	—	—	—	1,309	—	—	—	2,593	—	—	—	—	—	3,902	15,891
Total .....	—	—	—	—	—	89,454	—	—	—	92,795	—	—	—	—	—	182,249	15,891
Other																	
Contracts .....	—	—	—	—	16,158	910	—	—	—	—	—	—	—	—	—	17,068	—
Interest and dividends .....	—	—	—	8,266	—	—	—	—	—	—	—	—	—	—	—	8,266	2,489
Rents .....	—	—	—	475	2,025	—	—	—	—	—	—	—	—	—	—	2,500	—
Resale items .....	—	—	—	—	16,930	—	—	—	—	—	—	—	—	—	—	16,930	17,902
Tuition .....	—	—	—	—	56,666	350	—	—	—	13,729	577	—	—	—	—	71,322	90,608
Other .....	—	—	—	1,121	10	—	—	—	—	—	—	—	—	—	—	1,131	—
Total .....	—	—	—	9,862	91,789	1,260	—	—	—	13,729	577	—	—	—	—	117,217	110,999
Total Revenue .....	\$	—	\$	\$552,333	\$ 91,789	\$ 317,062	—	\$ 246,581	\$ 577	\$	—	\$	—	\$	\$122,144	\$1,330,486	\$948,643

## Schedule 2

	General Administration					Community and			Programming				Support Services		Totals
	Board	Admin- istration	Organi- zational	General Revenue	Individual Development	Adult Basic Education	On-the-Job Training	Vocational Technical	University Credit	Other Services	Career Services	Student Services			
Capital expenditures .....	\$ —	\$ 12,380	\$ 385	\$ —	\$ —	\$ 7,350	\$ 11,847	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 31,962	\$ 5,020
Contractual and professional services .....	—	13,638	—	—	—	9,590	—	152,870	2,603	—	—	—	—	178,701	33,252
Rentals .....	—	—	43,022	—	—	12,736	24,826	17,562	—	—	102	—	—	98,248	115,710
Repairs and maintenance ..	—	—	6,581	—	—	3,973	—	—	—	—	—	—	—	10,554	11,299
Operating (schedule 3) .....	9,295	25,250	53,234	—	—	44,850	62,590	15,143	—	—	3,747	122,144	—	336,253	202,693
Personal services .....	13,337	104,637	197,053	—	—	34,831	181,589	44,183	—	—	30,691	—	—	606,321	515,322
Total Expenditures .....	\$ 22,632	\$155,905	\$ 300,275	\$ —	\$ —	\$ 113,330	\$ 280,852	\$ 229,758	\$ 2,603	\$ —	\$ 34,540	\$122,144	\$ —	\$1,262,039	\$883,296



## Cumberland Regional College

### Schedule of Operating Expenditures

For the Year Ended June 30, 1988

### Schedule 3

	1988 <i>Total</i>	1987 <i>Total</i>
Advertising .....	\$ 28,170	\$ 23,790
Association fees and dues .....	2,671	2,636
Bad debts .....	633	—
Bank charges and interest .....	94	426
Equipment purchases (u. \$500) .....	502	589
Inservice training fees .....	1,909	2,084
Insurance .....	3,773	2,979
Materials and supplies .....	29,544	76,369
Postage, freight and courier .....	8,889	7,770
Resale items .....	17,878	12,579
Subscriptions .....	581	627
Telephone .....	32,121	24,217
Training allowances .....	122,144	28,856
Travel .....	38,486	7,954
Utilities .....	12,090	15,945
Other .....	36,768	—
Total .....	<u>\$ 336,253</u>	<u>\$ 206,821</u>



## Cypress Hills Regional College

### Auditors' Report

To the Board of the  
Cypress Hills Regional College

We have examined the statement of financial position of the Cypress Hills Regional College as at June 30, 1988 and the statements of revenue and expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1988 and the results of its operations and the changes in its fund balances for the year then ended in accordance with the accounting policies as described in Note 1 to financial statements applied on a basis consistent with that of the preceding year, except as explained in Note 4 to the financial statements.

Swift Current, Saskatchewan,  
November 17, 1988

Stark & Company  
Chartered Accountants

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1988

### Statement 1

	1988	1987
<b>Revenue — Schedule 1</b>		
Saskatchewan Education .....	\$ 1,251,092	\$ 1,078,968
Federal Government .....	201,372	75,679
Other .....	332,399	227,684
	<u>\$ 1,784,863</u>	<u>\$ 1,382,331</u>
<b>Expenditures — Schedules 2 and 3</b>		
Capital expenditures .....	\$ 61,010	\$ 42,661
Leasehold improvements .....	5,303	14,856
Contractual and professional services .....	516,327	152,341
Rentals .....	124,753	138,378
Repairs and maintenance .....	6,283	3,999
Operating expenses .....	252,248	199,839
Personal services .....	798,358	726,293
	<u>\$ 1,764,282</u>	<u>\$ 1,278,367</u>
Excess of Revenue over Expenditures Before Appropriation .....	\$ 20,581	\$ 103,964
Current Year Appropriation .....	—	—
	<u>\$ 20,581</u>	<u>\$ 103,964</u>

## Cypress Hills Regional College

### Statement of Financial Position

As at June 30, 1988

### Statement 2

	1988			1987	
	Capital Fund	Operating Fund	Total	Total	
<b>Assets</b>					
Current Assets					
Cash .....	\$ —	\$ 423,665	\$ 423,665	\$ 240,213	
Accounts receivable .....	—	68,469	68,469	76,274	
Prepaid expenses .....	—	6,362	6,362	5,107	
Inventory .....	—	920	920	—	
Other .....	—	365	365	184	
	—	499,781	499,781	321,778	
Capital Assets — Notes 2 and 4 .....	249,074	—	249,074	121,654	
	<u>\$ 249,074</u>	<u>\$ 499,781</u>	<u>\$ 748,855</u>	<u>\$ 443,432</u>	
<b>Liabilities and Fund Balances</b>					
Current Liabilities					
Accounts payable — Note 3 .....	\$ —	\$ 141,079	\$ 141,079	\$ 22,827	
Deferred income .....	—	38,685	38,685	—	
Deposits .....	—	1,435	1,435	950	
	—	181,199	181,199	23,777	
Unappropriated Fund Balance — Note 3 ..	249,074	318,582	567,656	419,655	
	<u>\$ 249,074</u>	<u>\$ 499,781</u>	<u>\$ 748,855</u>	<u>\$ 443,432</u>	

### Statement of Changes in Fund Balances

For the Year Ended June 30, 1988

### Statement 3

	1988			1987	
	Capital Fund	Operating Fund	Total	Total	
Fund Balance, Beginning of Year .....	\$ 121,654	\$ 298,001	\$ 419,655	\$ 303,443	
Excess of Revenue Over Expenditures — Note 3 .....	—	20,581	20,581	103,964	
	121,654	318,582	440,236	407,407	
Purchase of Capital Assets .....	61,010	—	61,010	42,661	
Provision for Depreciation — Note 4(b) ...	—	—	—	(30,413)	
Adjustment of Capital Assets — Note 4 ...	66,410	—	66,410	—	
Fund Balance, End of Year — Note 3 .....	<u>\$ 249,074</u>	<u>\$ 318,582</u>	<u>\$ 567,656</u>	<u>\$ 419,655</u>	

## Cypress Hills Regional College

### Notes to Financial Statements

June 30, 1988

#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### Fund Accounting

A fund is a separate self-balancing set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

**Operating Fund** — This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the College. Included in the operating fund are expenditures for the acquisition of capital assets.

**Capital Fund** — This fund contains the capital assets of the College and the equity in the capital assets.

##### Capital Assets

Acquisitions of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The College uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the College in the year of disposal. In accordance with this stated accounting policy, the College does not charge depreciation on its capital assets.

#### 2. Capital Assets

Capital assets are comprised of administrative and educational furniture and equipment at historical cost. The College does not own any buildings or vehicles.

#### 3. Prior Period Adjustment

In the 1987 financial statements of the College the accounts payable included an amount of \$12,334, representing an overpayment of grant monies for classes offered in the 1986-87 fiscal year. The College has now been advised that this amount is not repayable and should have been shown as revenue in 1987. The comparative figures for 1987 have been restated to reflect this change. As a result, the 1987 accounts payable have been reduced by \$12,334 and revenue has been increased by the same amount. The effect has been to increase the excess of revenue over expenditures for 1987 from \$91,630 to \$103,964, with a corresponding increase in the ending unappropriated fund balance.

#### 4. Changes in Accounting Policy

- (a) In years prior to 1988 the policy of the College was to capitalize all furniture and equipment of lasting value, regardless of cost. In 1988 the College instituted a policy of only capitalizing additions to furniture and equipment having a unit cost of \$500 or more. This policy was applied retroactively and as a result items with a total historical cost of \$110,443 were removed from the fixed asset list.
- (b) In years prior to 1988 it was the policy of the College to charge an annual provision for depreciation of furniture and equipment. This provision was only charged against capital fund equity and had no effect on operating results. In 1988 this policy was discontinued in accordance with the recommendations of the Regional Colleges Accounting and Reporting Manual. This change was applied retroactively and as a result the accumulated depreciation from previous years totalling \$176,853 was written off.

The effect of the changes in points (a) and (b) above is as follows:

Accumulated depreciation .....	\$	176,853
Capital assets written off .....		(110,443)
Net increase in fund balance .....	\$	<u>66,410</u>

#### 5. Comparative Figures

The format of these financial statements has been revised from that used in previous years so as to comply with the Regional Colleges Accounting and Reporting Manual. Accordingly, the 1987 comparative figures have been restated so as to reflect this change. This change affects revenue and expense classification only. The operating results for 1987 have not been affected.

# Cypress Hills Regional College

## Schedule of Revenue by Function

For the Year Ended June 30, 1988

### Schedule 1

	General Administration				Community and Individual Development		Adult Basic Education		Vocational Technical University		Career Services		Student Services		1988 Totals	1987 Totals
	Board	Administrative	Organizational	General Revenue	Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Support Services					
Saskatchewan Education																
Administrative recovery	\$ —	\$ 61	\$ 54,923	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,000	\$ 84,843	\$ —	\$ 63,984	\$ 84,843
Fiat grant	—	—	—	606,807	—	—	—	—	—	—	—	—	—	—	606,807	596,136
Supplementary grants	—	—	—	—	—	—	—	—	—	—	—	2,867	1,565	—	2,867	1,565
Program payments	—	—	—	—	1,410	171,610	401,074	—	—	—	—	—	—	—	574,094	396,424
Other	—	—	—	—	—	—	—	—	—	—	—	3,340	—	—	3,340	—
	—	61	54,923	606,807	1,410	171,610	401,074	—	—	—	—	15,207	—	—	1,251,092	1,078,968
Federal Government																
CJS direct purchases	—	—	19,670	—	4,100	76,510	50,639	—	—	—	—	—	—	—	150,919	66,606
CJS projects	—	—	—	—	13,425	—	35,123	—	—	—	—	—	—	—	48,548	—
Other	—	2,024	—	—	—	—	(119)	—	—	—	—	—	—	—	1,905	9,073
	—	2,024	19,670	—	17,525	76,510	85,643	—	—	—	—	—	—	—	201,372	75,679
Other																
Administrative recovery	—	—	582	—	—	—	—	—	—	—	—	—	—	—	582	—
Contracts	—	—	—	—	6,751	6,962	59,374	—	—	—	—	—	—	—	73,087	—
Interest and dividends	—	—	—	29,179	—	—	—	—	—	—	—	—	—	—	29,179	15,925
Rents	—	7,123	1,231	—	233	—	7,620	—	—	—	—	—	—	—	16,207	44,255
Resale items	—	—	—	—	3,110	—	8,363	—	—	—	—	—	—	—	11,473	31,000
Tuition	—	—	—	—	68,967	3,089	51,878	40,298	315	—	—	—	—	—	164,547	123,367
Other	2,605	11,406	9,697	1,291	1,949	499	9,872	—	5	—	—	—	—	—	37,324	13,137
	2,605	18,529	11,510	30,470	81,010	10,550	137,107	40,298	320	—	—	—	—	—	332,399	227,684
Total Revenue	\$ 2,605	\$ 20,614	\$ 86,103	\$637,277	\$ 99,945	\$ 258,670	\$ 623,824	\$ 40,298	\$ 320	\$ 15,207	\$ 1,784,863	\$1,382,331				

## Schedule of Expenditures by Function

For the Year Ended June 30, 1988

### Schedule 2

For the year ended June 30, 1988

	General Administration			Community and Individual Development	Adult Basic Education	Programming			Support Services			
	Board	Administrative	Organizational			General	Vocational Technical	University	Career Services	Student Services	Totals	
Capital expenditures	\$ 332	\$ 7,986	\$ 46,036	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,656	\$ —	\$ 61,010	\$ 42,661
Leasehold improvements	—	5,303	—	—	—	—	—	—	—	—	5,303	14,856
Contractual and professional services	9,300	8,915	808	—	40,024	13,614	386,580	56,086	1,000	—	516,327	152,341
Rentals	1,596	21,144	13,673	—	8,172	23,027	45,131	4,897	6,127	985	124,753	138,378
Repairs and maintenance	—	4,475	892	—	—	102	814	—	—	—	6,283	3,999
Operating — Schedule 3	13,615	83,875	49,670	—	16,709	31,020	41,556	3,408	6,126	6,269	252,248	199,839
Personal services	12,963	256,560	190,173	—	12,088	167,971	142,145	—	16,459	—	798,358	726,293
Total expenditures	\$ 37,806	\$388,258	\$301,252	\$ —	\$ 76,993	\$ 235,734	\$ 616,226	\$ 64,391	\$ 36,368	\$ 7,254	\$1,764,282	\$1,278,367

## Cypress Hills Regional College

### Schedule of Operating Expenses

For the Year Ended June 30, 1988

### Schedule 3

	1988	1987
Operating Expenses		
Advertising .....	\$ 17,611	\$ 15,592
Association fees and dues .....	3,252	3,465
Bad debts .....	—	—
Bank charges and interest .....	41	1
Computer software .....	10,996	—
Conference fees .....	2,813	2,345
Equipment purchases (u. \$500) .....	19,060	16,010
Inservice training fees .....	6,655	4,778
Insurance .....	4,152	3,466
Licenses and taxes .....	10	—
Materials and supplies .....	71,702	46,729
Postage, freight and courier .....	7,317	8,666
Printing and duplicating .....	1,213	4,085
Resale items .....	—	—
Subscriptions .....	289	243
Telephone .....	30,540	27,353
Travel .....	48,749	51,868
Utilities .....	19,853	15,238
Other .....	7,995	—
	<u>\$ 252,248</u>	<u>\$ 199,839</u>



## Northlands Career College

### Auditor's Report

To the Board of Directors of  
the Northlands Career College:

We have examined the balance sheet of the Northlands Career College as at June 30, 1988 and the statements of revenue and expenditures and of changes in fund balances for the six months then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1988 and the results of its operations for the six months then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances as described in Note 2 to the financial statements.

Prince Albert, Saskatchewan,  
December 1, 1988.

Deloitte, Haskins & Sells  
Chartered Accountants

### Balance Sheet

June 30, 1988.

	Revenue	Program	Capital	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash .....	\$ 199,545	\$ 615,379	\$ .....	\$ 814,924
Accounts receivable (Note 3) .....	42,264	749,148	.....	791,412
Prepaid expenses .....	9,645	.....	.....	9,645
Due from program .....	303,271	.....	.....	303,271
	554,725	1,364,527	.....	1,919,252
Capital Assets (Note 4) .....	.....	.....	424,597	424,597
	<u>\$ 554,725</u>	<u>\$ 1,364,527</u>	<u>\$ 424,597</u>	<u>\$ 2,343,849</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities .....	\$ 102,203	\$ 340,717	\$ .....	\$ 442,920
Accountable advances (Note 5) ....	31,953	149,300	.....	181,253
Unearned revenue (Note 6) .....	.....	571,239	.....	571,239
Due to revenue fund .....	.....	303,271	.....	303,271
Current portion of long-term debt ...	.....	.....	14,749	14,749
	134,156	1,364,527	14,749	1,513,432
Long-Term Debt (Note 7) .....	.....	.....	21,303	21,303
	<u>134,156</u>	<u>1,364,527</u>	<u>36,052</u>	<u>1,534,735</u>
<b>Equity and Fund Balances</b>				
Equity in Capital Assets .....	.....	.....	388,545	388,545
Contributed Surplus (Note 8) .....	426,864	.....	.....	426,864
Fund Balance .....	(6,295)	.....	.....	(6,295)
	420,569	.....	388,545	809,114
	<u>\$ 554,725</u>	<u>\$ 1,364,527</u>	<u>\$ 424,597</u>	<u>\$ 2,343,849</u>

See accompanying notes



## Northlands Career College

### Statement of Revenue and Expenditures

Six Months Ended June 30, 1988

	1988 Total	1987 Total
<b>Revenue</b>		
Saskatchewan Education .....	\$ 2,648,167	\$ .....
Federal Government .....	689,591	.....
Other .....	250,675	.....
Total .....	<u>\$ 3,588,433</u>	<u>\$ .....</u>
<b>Expenditures</b>		
Capital expenditures .....	\$ 5,695	\$ .....
Leasehold improvements .....	.....	.....
Contractual and professional services .....	840,987	.....
Rentals .....	373,437	.....
Repairs and maintenance .....	40,846	.....
Operating expenses (Schedule 3) .....	745,140	.....
Personal services .....	1,588,623	.....
Total .....	<u>\$ 3,594,728</u>	<u>\$ .....</u>
Excess of Expenditure over Revenue before appropriation .....	\$ (6,295)	\$ .....
Current year appropriation .....	.....	.....
Excess of Expenditures over Revenue .....	<u>\$ (6,295)</u>	<u>\$ .....</u>

See accompanying notes

### Statement of Changes in Fund Balances

Six Months Ended June 30, 1988.

	Revenue	Program	Capital	Total
Capital Contributions from				
Predecessor Colleges .....	\$ .....	\$ .....	\$ 383,684	\$ 383,684
Contributed Surplus from				
Predecessor Colleges .....	426,864	.....	.....	426,864
Current Year Excess of Expenditures				
over Revenue .....	(6,295)	.....	.....	(6,295)
Repayment of Capital Loan .....	.....	.....	4,861	4,861
	<u>\$ 420,569</u>	<u>\$ .....</u>	<u>\$ 388,545</u>	<u>\$ 809,114</u>

See accompanying notes

### Notes to the Financial Statements

June 30, 1988.

#### 1. Statutory Authority

On January 1, 1988 the Northlands Career College was established as a public education facility by the Legislative Assembly of Saskatchewan in an **Act respecting Regional Colleges** per Bill #47 of 1986-87 Section 32(2) (cited as **The Regional College Act**). The college's first fiscal period was set as the six months ending June 30, 1988.

Northlands Career College was created from the amalgamation of three previously separate community colleges within the Province of Saskatchewan. These include: Westside Community College (Buffalo Narrows), North East Community College (Creighton) and La Ronge Regional Community College (La Ronge).

The legislation enacting Northlands Career College provided for the establishment of the college through the transfer, at no cost, of all the assets, liabilities and net equity of these three previously separate colleges.

## Northlands Career College

### 2. Significant Accounting Practices and Reporting Practices

#### General

These financial statements have been prepared in accordance with generally accepted accounting principles as appropriate for educational institutions such as colleges and universities. The following exceptions to generally accepted accounting principles are appropriate for colleges and universities:

- No provision is made for depreciation of capital assets;
- Capital assets are expensed in the year of acquisition and a complementary asset/equity is recorded to reflect capital asset acquisitions.

#### Accrual accounting

In accordance with generally accepted accounting principles, Northlands Career College utilizes the accrual basis of accounting for all revenues and expenditures except those transactions specifically excluded above.

#### Fund accounting

The accounts of Northlands Career College are maintained in accordance with the principles of fund accounting to permit the observation of limitations and restrictions placed on the use of available resources. Under fund accounting, revenue and the related expenditures are accounted for in separate funds in accordance with objectives specified by limitations and restrictions imposed by sources outside of Northlands Career College and determinations made by the Board of Directors.

For financial statement reporting purposes the balance sheet combines the assets, liabilities and fund balances of all funds. These funds are:

#### a) Revenue Fund:

The revenue fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in revenue fund expenditures are transfers to the capital fund for purchase of capital assets and principal repayments on capital loans.

#### b) Capital Fund:

The capital fund contains the property and equipment, the capital loans payable and the equity in capital fund assets.

#### c) Program Fund:

The program fund contains the current revenue and expenditures relating to the operations of specific program courses. Surpluses or deficits are recognized when the specific program is complete and are transferred to the Revenue Fund. Surpluses or deficits on courses in progress at the period end are included in deferred revenue or accounts receivable. Equipment purchased for approved programs is expensed in the program fund. These purchases are not capitalized or depreciated.

#### Accounts receivable

Accounts receivable are reported net of any provision for doubtful accounts.

#### Unearned revenue

Unearned revenue is recorded for program revenue received and is applicable to incomplete programs or programs commencing in the next fiscal year.

### 3. Accounts Receivable

Accounts receivable consist of the following:

Programs delivered	\$ 78,023
Federal government	346,388
Provincial government	361,314
Other	5,687
	<u>\$791,412</u>

### 4. Capital Assets

Assets acquired from the three community colleges upon amalgamation at January 1, 1988 are recorded at net book value. Subsequent additions will be recorded at cost.

Land	\$ 500
Building	317,363
Equipment	70,227
Furniture and fixtures	13,385
Automotive equipment	17,051
Trailers	6,071
	<u>\$424,597</u>

## Northlands Career College

### 5. Accountable Advances

Provincial operating grants and program advances received prior to the programs commencing are recorded as accountable advances.

### 6. Unearned Revenue

Unearned revenue consists of funds advanced in excess of expenditures made for programs in progress at the end of the fiscal year.

### 7. Long-Term Debt

9¾% loan repayable in monthly instalments of \$860, blended principal and interest

\$14,626

Advance from the Department of Advanced Education and Manpower is repayable in annual principal payments of \$5,358. No interest is payable on this debt and the debt is secured by a lodgement of title to the land on which the building is located in Creighton

21,426

36,052

Less amounts due within one year

14,749

\$21,303

### 8. Contributed Surplus

The legislation (Note 1) creating Northlands Career College transferred various non-capital assets, liabilities and equity to Northlands Career College on January 1, 1988. The equity transferred is summarized as follows:

La Ronge Region Community College

\$315,379

Westside Community College

80,415

North East Community College

31,070

\$426,864

### 9. Commitments

Northlands Career College has a number of operating lease commitments pertaining to property, buildings and equipment. The majority of the buildings and property are leased on a month to month basis from the Saskatchewan Property Management Corporation. The remaining buildings and property are leased from private lessors. Equipment is leased from various private lessors.

A summary of these annual operating lease payments is as follows:

	<u>Property and Buildings</u>		<u>Equipment</u>
	<u>SPMC</u>	<u>Other Lessors</u>	
1989	\$14,540	\$60,000	\$14,458

The college has not extended property and building leases for longer than one year as the facilities in some centres have not been permanently established.

## Northlands Career College

### Schedule of Revenue by Function

Six Months Ended June 30, 1988

	General Administration				Community and Individual Development	Adult Basic Education
	Board	Adminis- trative	Organiza- tional	General Revenue		
<b>Saskatchewan Education</b>						
Administrative Recovery . . .	\$	\$	\$	171,448	\$	\$
Flat Grant . . . . .				425,715		
Program Payments . . . . .					145,080	715,596
Other . . . . .				38,510		
Total . . . . .	\$	\$	\$	635,673	\$ 145,080	\$ 715,596
<b>Federal Government</b>						
CJS Seat Purchases . . . . .	\$	\$	\$		\$	\$ 136,599
CJS Projects . . . . .						25,756
Other . . . . .					53,055	1,462
Total . . . . .	\$	\$	\$		\$ 53,055	\$ 163,817
<b>Other</b>						
Administrative Recovery . . .	\$	\$	\$	95,646	\$	\$
Contracts . . . . .						
Interest and Dividends . . . .				17,963		
Rents . . . . .				42,738		
Resale Items . . . . .						
Tuition . . . . .						
Other . . . . .				58,240	1,295	8,622
Total . . . . .	\$	\$	\$	214,587	\$ 1,295	\$ 8,622
Total Revenue . . . . .	\$	\$	\$	850,260	\$ 199,430	\$ 888,035

See Accompanying Notes

### Schedule of Expenditures by Function

Six Months Ended June 30, 1988

	General Administration				Community and Individual Development	Adult Basic Education
	Board	Adminis- trative	Organiza- tional	General Revenue		
Capital Expenditures . . . . .	\$	\$	\$		\$	\$ 4,598
Leasehold Improvements . . . .						
Contractual and Professional Services . . . . .		24,675	45,491		36,054	45,229
Rentals . . . . .		19,233	44,287		5,542	75,419
Repairs and Maintenance . . . .		6,559	19,610			8,260
Operating (Schedule 3) . . . . .	29,832	63,652	78,707		102,450	147,143
Personal Services . . . . .	26,026	226,852	271,631		55,383	607,387
Total Expenditures . . . . .	\$ 55,858	\$ 340,971	\$ 459,726	\$	\$ 199,429	\$ 888,036

See Accompanying Notes

## Schedule 1

Programming				Support Services		Totals	
On-the-Job Training	Vocational Technical	University Credit	Other	Career Services	Student Services	1988 Total	1987 Total
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 171,448	\$ .....
5,000	744,280	.....	402,538	.....	.....	425,715	.....
.....	.....	.....	.....	.....	.....	2,012,494	.....
.....	.....	.....	.....	.....	.....	38,510	.....
<u>\$ 5,000</u>	<u>\$ 744,280</u>	<u>\$ .....</u>	<u>\$ 402,538</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 2,648,167</u>	<u>\$ .....</u>
\$ .....	\$ 280,455	\$ .....	\$ .....	\$ .....	\$ .....	\$ 417,054	\$ .....
91,209	67,816	.....	.....	.....	.....	184,781	.....
73	33,166	.....	.....	.....	.....	87,756	.....
<u>\$ 91,282</u>	<u>\$ 381,437</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 689,591</u>	<u>\$ .....</u>
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 95,646	\$ .....
.....	.....	.....	.....	.....	.....	17,963	.....
.....	.....	.....	.....	.....	.....	42,738	.....
.....	.....	.....	.....	.....	.....	.....	.....
32	26,139	.....	.....	.....	.....	94,328	.....
<u>\$ 32</u>	<u>\$ 26,139</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 250,675</u>	<u>\$ .....</u>
<u>\$ 96,314</u>	<u>\$ 1,151,856</u>	<u>\$ .....</u>	<u>\$ 402,538</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 3,588,433</u>	<u>\$ .....</u>

## Schedule 2

Programming				Support Services		Totals	
On-the-Job Training	Vocational Technical	University Credit	Other	Career Services	Student Services	1988 Total	1987 Total
\$ .....	\$ (481)	\$ .....	\$ 1,578	\$ .....	\$ .....	\$ 5,695	\$ .....
.....	.....	.....	.....	.....	.....	.....	.....
7,400	682,138	.....	.....	.....	.....	840,987	.....
876	46,074	.....	182,006	.....	.....	373,437	.....
.....	1,940	.....	4,477	.....	.....	40,846	.....
57,564	181,078	.....	84,714	.....	.....	745,140	.....
30,473	241,109	.....	129,762	.....	.....	1,588,623	.....
<u>\$ 96,313</u>	<u>\$ 1,151,858</u>	<u>\$ .....</u>	<u>\$ 402,537</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 3,594,728</u>	<u>\$ .....</u>

## Northlands Career College

### Schedule of Operating Expenditure

Six Months Ended June 30, 1988

### Schedule 3

	1988	1987
Advertising .....	\$ 17,261	.....
Association fees and dues .....	1,937	.....
Bad debts .....	.....	.....
Bank charges and interest .....	3,353	.....
Computer software .....	.....	.....
Conference fees .....	.....	.....
Equipment purchases .....	882	.....
Inservice training fees .....	5,383	.....
Insurance .....	19,449	.....
Licences and taxes .....	450	.....
Materials and supplies .....	201,196	.....
Other .....	54,045	.....
Postage, freight and courier .....	7,189	.....
Printing and duplicating .....	.....	.....
Resale items .....	.....	.....
Subscriptions .....	533	.....
Telephone .....	87,775	.....
Travel .....	261,280	.....
Utilities .....	84,407	.....
Total .....	\$ 745,140	\$ .....

See accompanying notes



## North West Regional College

### Auditor's Report

To the Board of Directors  
North West Regional College

We have examined the balance sheets of North West Regional College as at June 30, 1988, the statements of revenue and expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1988 and the results of its operations and changes in fund balances for the year then ended in accordance with the accounting principles described in Note 1 applied on a basis consistent with that of the preceding year.

North Battleford, Saskatchewan,  
October 5, 1988.

Beggs, Downie, Meena, Johnson & Gress  
Chartered Accountants.

### Balance Sheet

June 30, 1988

	1988			1987	
	Capital Fund	Operating Fund	Total	Total	
<b>Assets</b>					
<b>Current</b>					
Cash .....	\$ —	\$ 75,402	\$ 75,402	\$ —	
Accounts receivable .....	—	110,849	110,849		142,315
Prepaid expenses .....	—	3,948	3,948		3,364
Due from operating fund .....	3,285	—	3,285		4,051
	3,285	190,199	193,484		149,730
<b>Capital Assets</b> (Note 3) .....	173,187	—	173,187		174,419
Leasehold Improvements .....	11,832	—	11,832		
	<u>\$ 188,304</u>	<u>\$ 190,199</u>	<u>\$ 378,503</u>	<u>\$ 324,149</u>	
<b>Liabilities and Fund Balance</b>					
<b>Current</b>					
Bank overdraft .....	\$ —	\$ —	\$ —	\$ 52,623	
Accounts payable .....	—	175	175		2,828
Accrued liabilities .....	—	4,500	4,500		4,500
Deferred income .....	—	4,282	4,282		15,723
Operating advances .....	—	78,960	78,960		
Due to capital fund .....	—	3,285	3,285		4,051
Reserve for future expenditures .....	—	2,000	2,000		—
	—	93,202	93,202		79,725
Unappropriated Fund Balance .....	188,304	96,997	285,301		244,424
	<u>\$ 188,304</u>	<u>\$ 190,199</u>	<u>\$ 378,503</u>	<u>\$ 324,149</u>	

## North West Regional College

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1988

	1988	1987
<b>Revenue</b>		
Saskatchewan Education .....	\$ 2,011,932	\$ 1,271,550
Federal government .....	351,565	27,513
Other .....	318,121	304,906
	<u>2,681,618</u>	<u>1,603,969</u>
<b>Expenditures</b>		
Capital expenditures .....	23,371	20,058
Leasehold improvements .....	11,832	—
Contractual and professional services .....	340,394	217,752
Rentals .....	194,031	177,787
Repairs and maintenance .....	18,613	14,435
Operating expenses (Schedule 3) .....	732,683	213,508
Personal services .....	1,327,651	964,819
	<u>2,648,575</u>	<u>1,608,359</u>
<b>Excess of Revenues over Expenditures Before Transfers</b> .....	33,043	(4,390)
Transfers to reserves .....	2,000	—
<b>Excess of Revenues over Expenditures</b> .....	<u>\$ 31,043</u>	<u>\$ (4,390)</u>

### Statement of Changes in Fund Balances

For the Year Ended June 30, 1988

	1988			1987	
	Capital Fund	Operating Fund	Total	Total	
Fund Balance, Beginning of Year . . . . .	\$ 178,470	\$ 65,954	\$ 244,424	\$ 230,702	
Excess of revenue over expenditures . . . .	—	31,043	31,043	(4,390)	
Contributions from operating fund . . . . .	35,203	—	35,203	20,058	
Loss on disposal of assets . . . . .	(3,088)	—	(3,088)	(1,946)	
Write down of capital assets . . . . .	(22,281)	—	(22,281)	—	
Fund Balance, End of Year . . . . .	\$ 188,304	\$ 96,997	\$ 285,301	\$ 244,424	

## North West Regional College

### Schedule of Revenue by Function For the Year Ended June 30, 1988

	Schedule 1				
	Programming			Support Services	
	General Revenue	Community and Individual Education	Adult Basic Education	Vocational/ Technical	University
Saskatchewan Education					
Administrative Recovery	\$ 82,632	\$ —	\$ —	\$ —	\$ —
Fiat grant	585,756	—	—	—	—
Program payments	—	250	657,516	158,121	82,194
Other	—	1,840	—	—	—
	668,388	2,090	657,516	158,121	82,194
Federal Government					
CJS seat purchases	37,053	13,122	124,909	31,003	—
CJS projects	—	145,478	—	—	—
	37,053	158,600	124,909	31,003	—
Other					
Administrative recovery	1,762	—	—	—	—
Contracts	—	40,611	—	11,021	—
Interest and dividends	3,834	—	—	—	—
Rents	205	—	—	—	—
Resale items	54	2,080	544	7,317	6,371
Tuition	—	67,384	7,291	28,332	126,632
Other	357	12,420	441	376	1,039
	6,212	122,495	8,276	47,046	134,042
Total Revenue	\$711,653	\$283,185	\$790,701	\$236,170	\$134,042
				\$82,244	\$443,623
					\$2,681,618
					\$1,603,969

### Schedule of Expenditures by Function For the Year Ended June 30, 1988

	Schedule 2				
	Programming			Support Services	
	General Administration	Community and Individual Education	Adult Basic Education	Vocational/ Technical	University
Capital expenditures	\$ —	\$ 18,268	\$ —	\$ 1,070	\$ —
Leasehold improvements	—	—	—	—	—
Contractual and professional services	—	47,896	68,129	332	98,513
Rentals	—	5,980	25,601	77,400	35,236
Repairs and maintenance	—	8,709	5,118	777	—
Operating expenditures (Schedule 3)	12,514	26,709	67,176	41,371	93,048
Personal services	11,150	146,134	230,028	644,112	75,040
	\$23,664	\$230,615	\$374,466	\$816,739	\$233,862
					\$140,462
					\$2,648,575
					\$1,608,359

## North West Regional College

### Schedule of Operating Expenditures

For the Year Ended June 30, 1988

### Schedule 3

	1988	1987
Advertising .....	\$ 25,570	\$ 14,911
Association fees and dues .....	6,981	3,419
Bank charges and interest .....	936	608
Computer software .....	859	—
Equipment .....	5,100	—
In-service training fees .....	10,637	11,796
Insurance .....	4,513	3,546
Licences and taxes .....	565	—
Materials and supplies .....	86,777	93,265
Postage, freight and courier .....	9,667	7,253
Printing and duplicating .....	20,061	6,843
Resale items .....	5,594	578
Subscriptions .....	1,234	738
Telephone .....	33,114	23,567
Training allowances .....	443,976	—
Travel .....	65,363	42,050
Other .....	11,736	4,934
Total Operating Expenditures .....	<u>\$ 732,683</u>	<u>\$ 213,508</u>

### Notes to the Financial Statements

For the year ended June 30, 1988

#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### a) Fund Accounting

A fund is a separate set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. The funds are:

##### i) Operating Fund

This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the college. Included in the operating fund are expenditures for the acquisition of assets.

##### ii) Capital Fund

This fund contains the capital assets of the college and equity in the capital assets.

##### b) Capital Assets

Acquisitions of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The college uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the college in the year of disposal. In accordance with this stated policy, the college does not charge depreciation on its capital assets.

#### 2. Leasehold Improvements

Leasehold improvements are accounted for in the same manner as the capital assets of the college.

#### 3. Capital Assets

Capital assets are comprised of the following balances:

	1988	1987
Furniture and equipment .....	\$ 165,587	\$ 174,419
Vehicles .....	7,600	—
	<u>\$ 173,187</u>	<u>\$ 174,419</u>

#### 4. Name Change

Effective January 1, 1988 the name of the college was changed from Mistikwa Community College to North West Regional College.

#### 5. Comparative Figures

Certain figures from the prior year have been restated to reflect the current year's presentation.

## Parkland Regional College

### Auditor's Report

The Members of the Board,  
Parkland Regional College,  
Melville, Saskatchewan.

We have examined the operating fund balance sheet and the capital fund balance sheet of the Parkland Regional College as at June 30, 1988 and the statements of revenue and expenditures and changes in Fund Balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Parkland Regional College as at June 30, 1988 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied, after giving retroactive effect to the change in depreciation and amortization of capital assets as explained in Note 4 to the financial statements, on a basis consistent with that of the preceding year.

Melville, Saskatchewan,  
September 23, 1988.

Skilnick & Partners,  
Chartered Accountants.

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1988

### Statement 1

	1988 Total	1987 Total (Notes 4 and 8)
<b>Revenue</b>		
Saskatchewan Education .....	\$ 1,953,214	\$ 1,635,000
Federal Government .....	404,011	293,883
Other .....	197,067	239,309
Subtotal .....	2,554,292	2,168,192
Yorkton Regional High School — Program surplus (deficit) — Note 5 .....	(3,249)	13,059
Total .....	2,551,043	2,181,251
<b>Expenditures</b>		
Capital expenditures (Note 1) .....	11,806	16,182
Leasehold improvements (Note 1) .....	34,075	5,000
Contractual and professional services .....	893,203	790,718
Rentals .....	102,392	121,585
Repairs and maintenance .....	12,256	18,209
Operating expenses (Schedule 3) .....	467,980	248,858
Personal services .....	999,366	987,755
Total .....	2,521,078	2,188,307
Excess of Revenue over Expenditures (Expenditures over Revenue) before appropriation .....	29,965	(7,056)
Current year appropriation .....	.....	.....
Excess of Revenue over Expenditures (Expenditures over Revenue) .....	\$ 29,965	\$ (7,056)
See accompanying notes		

## Parkland Regional College

### Balance Sheet

As at June 30, 1988

### Statement 2

	1988			1987
	Capital Fund	Operating Fund	Total	Total (Notes 4 and 8)
<b>Assets</b>				
Current Assets				
Cash .....	\$ .....	\$ 81,186	\$ 81,186	\$ 760
Accounts receivable (Note 6) .....	.....	132,317	132,317	149,119
Prepaid expenses .....	.....	6,709	6,709	2,131
Short-term investments .....	.....	10	10	56,164
Advance — Yorkton Regional High School (Note 5) .....	.....	58,027	58,027	61,276
		278,249	278,249	269,450
Capital Assets (Notes 1 and 3) .....	186,363	.....	186,363	191,184
Leasehold Improvements (Note 2) ....	129,633	.....	129,633	95,557
	<u>\$ 315,996</u>	<u>\$ 278,249</u>	<u>\$ 594,245</u>	<u>\$ 556,191</u>
<b>Liabilities and Fund Balance</b>				
Current Liabilities				
Accounts payable and accrued liabilities .....	.....	62,737	62,737	106,062
Deferred income .....	.....	62,019	62,019	29,065
Bank overdraft (Note 6) .....	.....	.....	.....	10,795
		124,756	124,756	145,922
Long-Term Debt .....	.....	.....	.....	.....
Total Liabilities .....	.....	124,756	124,756	145,922
Unappropriated Fund Balance (Notes 1, 4 and 7) .....	315,996	153,493	469,489	410,269
Appropriated Fund Balance .....	.....	.....	.....	.....
	<u>315,996</u>	<u>153,493</u>	<u>464,489</u>	<u>410,269</u>
	<u>\$ 315,996</u>	<u>\$ 278,249</u>	<u>\$ 594,245</u>	<u>\$ 556,191</u>

See accompanying notes



## Parkland Regional College

### Statement of Changes in Fund Balances

### Statement 3

For the Year Ended June 30, 1988

	1988				1987
	Capital Fund	Operating Fund		Total	Total
		Unappropriated	Appropriated		
Fund balance beginning of year (Note 4) .....	\$ 286,741	\$ 123,528	\$ .....	\$ 410,269	\$ 396,144
Excess of revenue over expenditure .....	.....	29,965	.....	29,965	(7,056)
	<u>286,741</u>	<u>153,493</u>	<u>.....</u>	<u>440,234</u>	<u>389,088</u>
Purchase of capital assets and leasehold improvements .....	48,175	.....	.....	48,175	21,181
Disposal of capital assets .....	(18,920)	.....	.....	(18,920)	.....
	<u>29,255</u>	<u>.....</u>	<u>.....</u>	<u>29,255</u>	<u>21,181</u>
Fund Balance, End of Year .....	<u>\$ 315,996</u>	<u>\$ 153,493</u>	<u>\$ .....</u>	<u>\$ 469,489</u>	<u>\$ 410,269</u>

See accompanying notes

## Parkland Regional College

### Schedule of Revenue by Function

For the Year Ended June 30, 1988

### Schedule 1

#### General Administration

	Board	Adminis- trative	Organiza- tional	General Revenue	Community and Individual Development	Adult Basic Education
<b>Saskatchewan Education</b>						
Administrative Recovery						
Flat Grant	\$	\$	\$	\$ 654,387	\$	\$
Program Payments		5,065	77,412			482,508
Other			2,418	410		
Total	\$	\$ 5,065	\$ 79,830	\$ 654,797	\$	\$ 482,508
<b>Federal Government</b>						
CJS Seat Purchases	\$	\$	\$ 3,292	\$	\$	\$ 281,920
CJS Projects						
Other			2,033			
Total	\$	\$	\$ 5,325	\$	\$	\$ 281,920
<b>Other</b>						
Administrative Recovery						
Contracts	\$	\$	\$	\$	\$	\$
Interest and Dividends				15,233		
Rents						
Resale Items					9,736	945
Tuition					35,226	4,908
Other			100			
Total	\$	\$	\$ 100	\$ 15,233	\$ 44,962	\$ 5,853
Total Revenue	\$	\$ 5,065	\$ 85,255	\$ 670,030	\$ 44,962	\$ 770,281

See Accompanying Notes

### Schedule of Expenditures by Function

For the Year Ended June 30, 1988

### Schedule 2

#### General Administration

	Board	Adminis- trative	Organiza- tional	General Revenue	Community and Individual Development	Adult Basic Education
<b>Capital Expenditures</b>						
Leasehold Improvements	\$	\$ 3,906	\$ 7,033	\$	\$	\$
Contractual and Professional Services		34,075				
Rentals		7,425	5,558			249,751
Repairs and Maintenance		7,973	26,822		17,596	22,263
Operating (Schedule 3)		5,148	7,108			
Personal Services	16,214	21,785	96,925		12,799	79,896
	13,950	122,405	297,046		22,592	366,187
Total Expenditures	\$ 30,164	\$ 202,717	\$ 440,492	\$	\$ 52,987	\$ 718,097

See Accompanying Notes

Schedule 1

Programming				Support Services		Totals	
On-the-Job Training	Vocational Technical	University Credit	Other	Career Services	Student Services	1988 Total	1987 Total (Note 4)
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 654,387	\$ .....
.....	469,795	.....	.....	88,452	172,767	1,295,999	.....
.....	.....	.....	.....	.....	.....	2,828	.....
\$ .....	\$ 469,795	\$ .....	\$ .....	\$ 88,452	\$ 172,767	\$ 1,953,214	\$ 1,635,000
\$ .....	\$ 77,385	\$ .....	\$ .....	\$ .....	\$ .....	\$ 362,597	\$ .....
.....	39,381	.....	.....	.....	.....	39,381	.....
.....	.....	.....	.....	.....	.....	2,033	.....
\$ .....	\$ 116,766	\$ .....	\$ .....	\$ .....	\$ .....	\$ 404,011	\$ 293,883
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
.....	.....	.....	.....	.....	.....	15,233	.....
.....	1,490	.....	.....	.....	.....	1,490	.....
.....	12,926	.....	.....	.....	.....	23,607	.....
.....	30,483	86,020	.....	.....	.....	156,637	.....
.....	.....	.....	.....	.....	.....	100	.....
\$ .....	\$ 44,899	\$ 86,020	\$ .....	\$ .....	\$ .....	\$ 197,067	\$ 239,309
\$ .....	\$ 631,460	\$ 86,020	\$ .....	\$ 88,452	\$ 172,767	\$ 2,554,292	\$ 2,168,192

Schedule 2

Programming				Support Services		Totals	
On-the-Job Training	Vocational Technical	University Credit	Other	Career Services	Student Services	1988 Total	1987 Total (Note 4)
\$ .....	\$ .....	\$ .....	\$ .....	\$ 867	\$ .....	\$ 11,806	\$ 16,182
.....	.....	.....	.....	.....	.....	34,075	5,000
.....	519,900	109,799	.....	770	.....	893,203	790,718
.....	20,406	3,235	.....	4,097	.....	102,392	121,585
.....	.....	.....	.....	.....	.....	12,256	18,209
.....	43,170	3,149	.....	21,275	172,767	467,980	248,858
.....	61,903	3,733	.....	111,550	.....	999,366	987,755
\$ .....	\$ 645,379	\$ 119,916	\$ .....	\$ 138,559	\$ 172,767	\$ 2,521,078	\$ 2,188,307

## Parkland Regional College

### Schedule of Operating Expenditure

For the Year Ended June 30, 1988

### Schedule 3

	1988 Total	1987 Total (Note 4)
Advertising .....	\$ 24,127	\$ 21,605
Association fees and dues .....	2,951	2,916
Bad debts .....	.....	.....
Bank charges and interest .....	848	1,385
Computer software .....	1,031	.....
Conference fees .....	.....	.....
Equipment purchases (u. \$500) .....	517	3,727
Inservicetraining fees .....	3,539	5,106
Insurance .....	2,818	3,442
Licences and taxes .....	368	.....
Materials and supplies .....	96,293	57,415
Postage, freight and courier .....	14,898	13,170
Printing and duplicating .....	1,065	.....
Resale items .....	5,729	.....
Subscriptions .....	679	.....
Telephone .....	51,332	41,896
Travel .....	81,566	75,056
Utilities .....	9,194	8,866
Other (NSIM) .....	171,025	14,274
Total .....	<u>\$ 467,980</u>	<u>\$ 248,858</u>

See accompanying notes

### Notes to Financial Statements

For the Year Ended June 30, 1988.

#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### Fund Accounting:

A fund is a separate self-balancing set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

##### Operating Fund

This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the college. Included in the operating fund are expenditures for the acquisition of capital assets.

##### Capital Fund

This fund contains the capital assets of the college and the equity in the capital assets.

##### Capital Assets:

Acquisitions of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The college uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the college in the year of disposal. In accordance with this stated accounting policy, the college does not charge depreciation on its capital assets.

#### 2. Leasehold Improvements

Leasehold improvements are accounted for in the same manner as the capital assets of the college.

#### 3. Capital Assets

Capital assets are comprised of the following balances:

	1988	1987
Buildings .....	\$ .....	\$ .....
Equipment .....	149,353	135,254
Vehicles .....	37,010	55,930
Land .....	.....	.....
	<u>186,363</u>	<u>191,184</u>

## Parkland Regional College

### 4. Retro Active Change in Accounting Policy

The College has adopted the revised accounting policies contained in the Regional Colleges Accounting and Reporting Manual including the policy of not recording a charge for depreciation of capital assets and amortization of leasehold improvements. This change in accounting policy has been applied retroactively and has resulted in restoring the Capital Fund Balance for depreciation and amortization charges booked in previous years of 195,989. The add back to the Capital Fund Balance account is set out below:

Prior year 1986-87	\$ 25,341
Adjustment of prior years	170,648
Total retro active adjustment to Capital Fund Balance	<u>\$195,989</u>

### 5. Adult Education Agreement

The College and Yorkton Regional High School are parties to an agreement covering the provision of adult education classes through the facilities of the school. Terms of the agreement provide that course program and administration is the responsibility of the school. Financial responsibility for the program offered is provided by the College supported by funding from Saskatchewan Education. Under the terms of the agreement deficits are the responsibility of the College.

Summarized results of operations for the current and prior year are set out below:

	1988	1987
Grants earned from Saskatchewan Education	647,004	621,252
Less: Net expenditures by Yorkton Regional High School	650,253	608,193
Surplus (Deficit) for the year — to Statement 1	<u>(3,249)</u>	<u>13,059</u>

### 6. Line of Credit Agreement

The College has an established line of credit up to \$100,000 with the Royal Bank of Canada, Melville, Saskatchewan. Security for advances under the agreement consists of an assignment of grant proceeds due from Saskatchewan Education.

### 7. Lease Agreements

The College is obligated under the following lease agreements.

#### Instructional Facilities:

- Central School, Fort Qu'Appelle, Saskatchewan, under a ten year lease expiring May 31, 1998.
- Burke School, Yorkton, Saskatchewan, under a five year lease expiring December 31, 1992.

The above agreements cover use of school buildings and grounds with annual rental at \$1. for each school. Terms provide for the College to pay annual operating costs and to be responsible for minor renovations. Each of the agreements contains an option to renew at the end of the initial lease term.

#### Offices:

- Administration office and classrooms in the Town and Country Mall in Melville, Saskatchewan, under a five year lease expiring May 31, 1992. Terms of the lease provide for monthly rental of \$2,261, plus additional charges for shared common costs.
- Branch office, Esterhazy, Saskatchewan, under a one year agreement expiring March 31, 1989. Terms of lease provide for monthly rental of \$250. The lease also provides for a renewal option.
- Branch office, Canora, Saskatchewan, located in the Canora Mall under a three year lease expiring January 31, 1990. Terms of the lease provide for monthly rental of \$322.

#### Equipment:

- Xerox Canada covering a photocopier leased until February 28, 1991. Terms of the lease call for annual rental payments of \$907.
- Xerox Canada covering a photocopier leased until July 1989. Terms of the lease call for quarterly rental payments of \$2,193.
- Xerox Canada covering a photocopier leased until May 1991. Terms of the lease call for quarterly rental payments of \$558.
- Xerox Canada covering a typewriter leased until November 1988. Terms of the lease call for quarterly payments of \$240.
- Xerox Canada covering office equipment leased until August 1989. Terms of the lease call for quarterly payments of \$461.
- Canada Systems Group — three year license to use choices occupations computer programs until October 1990. Terms of the licensing arrangement call for the first annual payment of \$1,105. on October 1, 1987. The second and third payments each for \$1,105. fall due October 1, 1988 and October 1, 1989.

### 8. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.



## Prairie West Regional College

### Auditor's Report

To The Members of the Board

We have examined the balance sheet of Prairie West Regional College as at June 30, 1988 and the statements of revenue and expenses, surplus, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the college as at June 30, 1988 and the results of its operations for the year then ended in accordance with accounting principles as described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Kindersley, Saskatchewan,  
August 24, 1988.

Close, Perkins & Hauta,  
Chartered Accountants.

### Balance Sheet

June 30, 1988

		1988	
	Capital Fund	Operating Fund	Total
			1987
<b>Assets</b>			
<b>Current Assets</b>			
Cash .....	\$ 4,612	\$ 123,493	\$ 128,105
Accounts receivable .....	—	99,110	99,110
Prepaid expenses .....	—	5,520	5,520
Short-term investments .....	—	—	—
Inventory .....	—	—	—
Deferred charges .....	—	—	—
Due from capital fund .....	—	—	—
	4,612	228,123	232,735
Capital Assets (Note 3) .....	169,726	—	169,726
Leasehold Improvements .....	—	—	—
	<u>\$ 174,338</u>	<u>\$ 228,123</u>	<u>\$ 402,461</u>
<b>Liabilities and Fund Balance</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities .....	\$ —	\$ 28,107	\$ 28,107
Deferred income .....	—	—	—
Bank overdraft .....	—	—	—
Short-term debt .....	—	—	—
Current portion of long-term debt .....	—	—	—
Deposits .....	—	—	—
Due to operating fund .....	—	—	—
	—	28,107	28,107
Long-term debt .....	—	—	—
Unappropriated Fund Balance .....	—	200,016	200,016
Appropriated fund balance .....	174,338	—	174,338
	<u>174,338</u>	<u>200,016</u>	<u>374,354</u>
	<u>\$ 174,338</u>	<u>\$ 228,123</u>	<u>\$ 402,461</u>



## Prairie West Regional College

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1988

	1988	1987
<b>Revenue</b>		
Saskatchewan Education .....	\$ 922,243	\$ 569,202
Federal government .....	3,700	—
Other .....	186,306	231,903
<b>Total</b> .....	<u>1,112,249</u>	<u>801,105</u>
<b>Expenditures</b>		
Capital expenditures .....	8,697	21,008
Leasehold improvements .....	—	—
Contractual and professional services .....	273,506	121,078
Rentals .....	98,759	108,182
Repairs and maintenance .....	11,010	9,325
Operating expenses (Schedule 3) .....	233,745	163,990
Personal services .....	363,698	358,541
<b>Total</b> .....	<u>989,416</u>	<u>782,125</u>
Excess of revenue over expenditures before appropriation .....	122,833	18,980
Current year appropriation .....	—	—
<b>Excess of revenue over expenditures</b> .....	<u>\$ 122,833</u>	<u>\$ 18,980</u>

### Statement of Changes in Fund Balances

Year Ended June 30, 1988

	1988					
	Capital Fund	Operating Fund		Total		1987
		Un- Appropriated	Appropriated			
Fund balance, beginning of year as previously reported .....	\$ 75,132	\$ 77,183	\$ —	\$ 152,315	\$	129,793
Adjustments of prior year's depreciation (Note 4) .....	85,080	—	—	85,080		67,395
As restated .....	160,212	77,183	—	237,395		197,188
Excess of revenue over expenditures .....	219	122,833	—	123,052		19,199
	160,431	200,016	—	360,447		216,387
Purchase of capital assets .....	13,907	—	—	13,907		21,008
Disposal of capital assets .....	—	—	—	—		—
Fund balance, end of year .....	<u>\$ 174,338</u>	<u>\$ 200,016</u>	<u>\$ —</u>	<u>\$ 374,354</u>	<u>\$</u>	<u>237,395</u>

## Prairie West Regional College

### Notes to Financial Statements

June 30, 1988

#### 1. Significant Accounting Policies:

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### Fund Accounting

A fund is a separate self-balancing set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

Operating Fund: This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the college. Included in the operating fund are expenditures for the acquisition of capital assets.

Capital Fund: This fund contains the capital assets of the college and the equity in the capital assets.

##### Capital Assets

Acquisitions of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The college uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the college in the year of disposal. In accordance with this stated accounting policy, the college does not charge depreciation on its capital assets.

#### 2. Leasehold Improvements

Leasehold improvements are accounted for in the same manner as the capital assets of the college.

#### 3. Capital Assets

Capital assets are comprised of the following balances:

	1988	1987
Buildings .....	\$ —	\$ —
Equipment .....	169,726	155,819
Vehicles .....	—	—
	169,726	155,819
Land .....	—	—
	<u>\$ 169,726</u>	<u>\$ 155,819</u>

#### 4. Change in accounting policy:

In past years the College depreciated its capitalized assets over their estimated useful lives. The College no longer depreciates its capital assets and to apply this accounting change retroactively has the effect of increasing the capital fund fixed assets and capital fund equity by \$85,080 which is the total depreciation taken over the past years. The financial statements of last year have been restated to reflect this change.

## Schedule 1

	General Administration						Community and Individual Development		Adult Basic Education	On-the-Job Training	Vocational Technical	University Credit	Career Services	Student Services	1987 Total	1988 Total	Total
	Board	Administration	Organizational	General Revenue	Individual Development	Adult Basic Education	On-the-Job Training	Vocational Technical	University Credit	Career Services	Student Services	1987 Total	1988 Total	Total	1987 Total	1988 Total	Total
Saskatchewan Education																	
Administrative recovery .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Fiat grant .....	—	—	—	539,916	—	211,196	—	168,131	—	—	—	—	—	—	539,916	486,312	1,026,228
Program payments .....	—	—	—	—	—	211,196	—	168,131	—	—	—	—	—	—	379,327	82,890	462,217
Other .....	—	—	—	3,000	—	—	—	—	—	—	—	—	—	—	3,000	—	3,000
Total .....	—	—	—	542,916	—	211,196	—	168,131	—	—	—	—	—	—	922,243	569,202	1,491,445
Federal Government																	
CJS seat purchases .....	—	—	—	—	—	700	—	—	—	—	—	—	—	—	700	—	700
CJS projects .....	—	—	—	—	—	3,000	—	—	—	—	—	—	—	—	3,000	—	3,000
Other .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total .....	—	—	—	—	—	3,700	—	—	—	—	—	—	—	—	3,700	—	3,700
Other																	
Administrative recovery .....	—	—	—	—	—	14,415	—	49,504	—	—	2,039	—	—	—	65,958	75,103	141,061
Contracts .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest and dividends .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rents .....	—	8,104	—	9,263	—	—	—	—	—	—	—	—	—	—	9,263	6,250	15,513
Resale items .....	—	—	—	18,085	—	—	—	—	—	—	—	—	—	—	18,085	10,895	28,980
Tuition .....	—	—	—	—	48,901	580	—	11,585	14,283	—	—	—	—	—	75,349	123,169	198,518
Other .....	—	—	—	8,962	—	—	—	—	585	—	—	—	—	—	9,547	5,777	15,324
Total .....	—	8,104	—	36,310	48,901	14,995	—	61,089	14,868	—	2,039	—	—	—	186,306	231,903	418,209
Total Revenue .....	\$ —	\$ 8,104	\$ —	\$579,226	\$ 48,901	\$ 229,891	\$ —	\$ 229,220	\$ 14,868	\$ —	\$ 2,039	\$ 14,868	\$ —	\$ 2,039	\$1,112,249	\$801,105	\$1,913,354

## Schedule 2

	General Administration				Community and Individual Development		Programming				Support Services		Totals	
	Board	Admin- istration	Organi- zational	General Revenue	Adult Basic Education	On-the-Job Training	Vocational Technical	University Credit	Career Services	Student Services	1987 Total	1988 Total		
Capital Expenditures .....	\$ —	\$ 726	\$ 1,980	\$ —	\$ 5,992	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,698	\$ 21,009	
Leasehold improvements .....	—	—	—	—	—	—	—	—	—	—	—	—	—	
Contractual and Professional services .....	—	5,498	—	—	13,469	158,684	—	76,735	19,120	—	—	273,506	121,078	
Rentals .....	—	17,194	16,183	—	10,977	30,707	—	23,490	208	—	—	98,759	108,182	
Repairs and maintenance .....	—	1,063	7,440	—	37	2,227	—	243	—	—	—	11,010	9,325	
Operating (Schedule 3) .....	21,611	23,258	98,392	—	27,033	42,138	—	17,955	378	2,980	—	233,745	163,990	
Personal Services .....	8,892	132,883	178,057	—	43,866	—	—	—	—	—	—	363,698	358,541	
Total expenditures .....	\$ 30,503	\$ 180,622	\$ 302,052	\$ —	\$ 101,374	\$ 233,756	\$ —	\$ 118,423	\$ 19,706	\$ 2,980	\$ —	\$ 989,416	\$ 782,125	

## Prairie West Regional College

### Schedule of Operating Expenditures

For the Year Ended June 30, 1988

### Schedule 3

	1988 <i>Total</i>	1987 <i>Total</i>
Advertising .....	\$ 27,310	\$ 10,967
Association fees and dues .....	7,613	3,429
Bad debts .....	—	98
Bank charges and interest .....	—	3
Computer software .....	—	—
Conference fees .....	—	—
Equipment purchases (u. \$500) .....	1,491	562
Inservice training fees .....	11,967	6,240
Insurance .....	4,035	3,718
Licences and taxes .....	—	—
Materials and supplies .....	54,183	24,797
Postage, freight and courier .....	10,873	9,538
Printing and duplicating .....	6,368	10,398
Resale items .....	16,121	10,897
Subscriptions .....	739	629
Telephone .....	35,014	25,172
Travel .....	38,479	37,544
Utilities .....	2,417	1,775
Other .....	17,135	18,223
	<u>\$ 233,745</u>	<u>\$ 163,990</u>

## Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies)

### Auditors' Report

To the Board of Directors of the  
Saskatchewan Indian Regional College

We have examined the balance sheet of the Saskatchewan Indian Regional College (formerly Saskatchewan Indian Community College, now operating as the Saskatchewan Indian Institute of Technologies) as at June 30, 1988 and the statements of operations and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1988 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,  
October 7, 1988.

Price Waterhouse  
Chartered Accountants

### Balance Sheet

	June 30	
	1988	1987
<b>Assets</b>		
Current assets:		
Bank .....	\$ 52,455	\$ 18,440
Guaranteed investment certificate (Note 3) .....	149,064	139,082
Accounts receivable (Note 4) .....	766,382	707,978
Prepaid expense .....	38,256	20,701
	<u>1,006,157</u>	<u>886,201</u>
Fixed assets (Notes 2 and 5) .....	882,113	843,227
	<u>\$ 1,888,270</u>	<u>\$ 1,729,428</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable (Note 6) .....	\$ 878,725	\$ 493,601
Advance — Saskatchewan Advanced Education and Manpower .....	.....	270,000
Deferred revenues (Notes 2 and 7) .....	97,455	107,974
	<u>976,180</u>	<u>871,575</u>
<b>Equity</b>		
Equity in fixed assets (Note 2) .....	882,113	843,227
Surplus (deficit) .....	29,977	14,626
	<u>912,090</u>	<u>857,853</u>
	<u>\$ 1,888,270</u>	<u>\$ 1,729,428</u>

## Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies)

### Statement of Operations

	Year ended June 30	
	1988	1987
<b>Revenue:</b>		
Institutional Training and Operations .....	\$ 4,822,990	\$ 4,390,754
Special programs .....	773,275	1,060,345
Band programs — Canadian Jobs Strategy .....	158,344	56,465
Other .....	23,605	23,384
	<u>5,778,214</u>	<u>5,530,948</u>
<b>Expenditures:</b>		
Administration .....	1,678,141	1,295,928
Courses .....	3,144,836	3,096,287
Special programs .....	781,542	1,060,714
Band programs — Canadian Jobs Strategy .....	158,344	56,465
	<u>5,762,863</u>	<u>5,509,394</u>
Surplus from operations .....	\$ <u>15,351</u>	\$ <u>21,554</u>

### Statement of Surplus

	Year ended June 30	
	1988	1987
Surplus (deficit) at beginning of year .....	\$ 14,626	\$ (6,928)
Surplus from operations .....	15,351	21,554
Surplus at end of year .....	<u>\$ 29,977</u>	<u>\$ 14,626</u>

### Notes to Financial Statements

June 30, 1988

#### 1. Change of name:

Effective January 1, 1988 the Legislative Assembly of the Province of Saskatchewan passed the Regional Colleges Act which resulted in the Saskatchewan Indian Community College being renamed the Saskatchewan Indian Regional College. The institution continues to operate as the Saskatchewan Indian Institute of Technologies.

#### 2. Accounting principles and policies:

The College's financial statements have been prepared in accordance with generally accepted accounting principles with significant policies as follows:

##### Fixed assets and depreciation —

Fixed assets are recorded at cost and are purchased out of revenue funds for the year. The College's equity in fixed assets results from a double entry made at the time of the purchase of an asset. The purchase is recorded both as an expenditure, affecting the calculation of surplus, and as an asset. The equity in fixed assets represents the amount of asset purchases which have been recorded less accumulated depreciation.

The depreciation charges lower the book value of the assets and decreases the equity in fixed assets.

Depreciation charges are based on estimated useful lives of the assets, and are calculated using the following methods and rates:

Assets (Note 5)	Depreciation Method	Rate/Term
Automotive equipment	Declining balance	30%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Declining balance	20%
Computer software	Declining balance	20%
Skills Growth Fund		
Equipment	Straight-line	5 years
Leasehold improvements	Straight-line	5 years

Upon disposition of an asset, the proceeds are credited to the program or funding agency to which the original purchase was charged. No gain or loss on sale is recorded. The original cost of the asset and accumulated depreciation are removed from the accounts.



## Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies)

### Statement of changes in financial position —

This statement has not been included on the basis that it does not provide any information additional to that disclosed in the balance sheet and statement of operations.

### Deferred revenue —

Deferred revenue arises when funding received from various agencies is to be applied against program expenditures made subsequent to the date of the fiscal year end.

### 3. Line of Credit:

A guaranteed investment certificate of \$149,064 is used as collateral for a line-of-credit at which was not used at June 30, 1988.

### 4. Accounts receivable:

Accounts receivable at June 30 consists of the following:

	1988	1987
Indian and Northern Affairs Canada .....	\$ 496,363	\$ 286,410
Health and Welfare Canada .....	15,587	13,462
Saskatchewan Indian Training Assessment Group .....	16,269	.....
Federation of Saskatchewan Indian Nations, Inc. ....	45,551	8,293
Toronto Dominion Bank .....	100,000	.....
Miscellaneous .....	92,783	50,881
Staff Advances .....	5,472	13,587
Saskatchewan Advanced Education and Manpower .....		
Administration reimbursement .....	.....	66,989
Recoverable course costs .....	.....	227,687
Employment and Immigration Canada .....	.....	44,946
All Nations Institute of Technology .....	.....	286
	772,025	712,541
Less: Allowance for doubtful accounts .....	5,643	4,563
	<u>\$ 766,382</u>	<u>\$ 707,978</u>

### 5. Fixed Assets:

Fixed assets consist of:

	1988	1987
Automotive equipment .....	\$ 216,717	\$ 191,252
Computer software .....	35,607	9,251
Equipment .....	737,543	513,422
Furniture .....	97,435	82,269
Furniture and fixtures —		
Prince Albert Business College .....	82,196	76,992
Leasehold improvements .....	186,526	99,646
Equipment — Skills Growth Fund .....	368,952	447,873
Leasehold improvements —		
Skills Growth Fund .....	314,427	376,983
	2,039,403	1,797,688
Less: Accumulated depreciation .....	1,157,290	954,461
Net book value .....	<u>\$ 882,113</u>	<u>\$ 843,227</u>

Assets purchased through the Employment and Immigration Canada Skills Growth Fund are located at College training institute program centres throughout the province.

### 6. Accounts payable:

Accounts payable at June 30 consists of the following —

	1988	1987
Trade payables and accrued liabilities .....	\$ 839,921	\$ 491,971
Federation of Saskatchewan Indians Nations, Inc. ....	38,804	1,578
Saskatchewan Indian Cultural Centre .....	.....	52
	<u>\$ 878,725</u>	<u>\$ 493,601</u>

## Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies)

### 7. Deferred Revenue:

The following program revenues are to be applied against program expenditures made subsequent to June 30, 1988 —

	1988	1987
Saskatchewan Indian Training Assessment Group .....	\$ 40,561	\$ .....
Firefighter Training Program (Indian and Northern Affairs Canada) .....	31,149	.....
Entrepreneurship Training Program (Native Economic Development Program) .....	22,386	106,140
Sweetgrass Band Programs .....	3,359	.....
Life Skills Program (Shoal Lake Band) .....	.....	1,834
	<u>\$ 97,455</u>	<u>\$ 107,974</u>

### 8. Lease obligations:

The College has commitments under operating leases as follows:

1989	\$ 164,988
1990	15,460
1991	11,902
1992	20,252
1993	25,050
	<u>\$ 237,652</u>

### 9. Welding Training Institute Fire:

On August 16, 1987 the Welding Training Institute on the Kahkewistahaw Reserve was destroyed by fire. Assets with an original cost of \$132,317 less accumulated depreciation of \$105,854 were lost. These assets and related accumulated depreciation have been removed from the accounts with no effect on the statement of operations.

### 10. Related party transactions:

Related parties to the College include the Federation of Saskatchewan Indian Nations, Inc. (FSIN), the Saskatchewan Indian Cultural Centre, the Saskatchewan Indian Federated College, and the Saskatchewan Indian Housing Commission.

Contractual obligations with FSIN for the year ended June 30, 1988 involved costs of \$56,250 under a management agreement as well as \$101,994 paid in executive member costs.

### 11. All Nations Institute of Technology:

As required by Saskatchewan Advanced Education and Manpower, funding for the All Nations Institute of Technology (ANIT) was paid directly to the College and subsequently transferred to ANIT. During the period July 1, 1987 to June 30, 1988 — \$123,920 (1987 — \$367,234) was received by the College and transferred to ANIT.

During the same period, as required by Employment and Immigration Canada, \$40,900 was received by the College from Saskatchewan Indian Training Assessment Group and transferred to ANIT.

### 12. Contingent liabilities:

The Saskatchewan Indian Regional College has not withheld income tax at source on salaries and wages paid to treaty Indian staff. This is not in accordance with the provisions of the Income Tax Act. As such, the College may be held liable for these deductions. The taxation of treaty Indians is currently in dispute and the outcome of this matter is not determinable at this time. Any settlement resulting from the resolution of this contingency will be accounted for as a charge to operations in the period in which the settlement occurs.

The College is the defendant in a legal action arising from the dismissal of an employee. A statement of claim has been filed, however, the outcome is not determinable at this time. Consequently, no provision for potential losses has been reflected in these financial statement. Any settlement resulting from the resolution of this contingency will be accounted for as a charge to operations in the period in which the settlement occurs.

## South East Regional College

### Auditor's Report

To the Board of Directors

I have examined the balance sheets of the South East Regional College as at June 30, 1988 and the statements of revenue and expenditures, capital fund surplus, current operating fund surplus, appropriated surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the College as at June 30, 1988, and the results of its operations for the year then ended, in accordance with the stated basis of accounting applied on a basis consistent with that of the preceding year.

Weyburn, Saskatchewan,  
July 27, 1988.

Fred V. Milleker,  
Chartered Accountant.

### Balance Sheet

As at June 30, 1988

			1988		1987	
	Capital Fund	Operating Fund	Total	Total		
<b>Assets</b>						
<b>Current Assets</b>						
Cash .....	\$ —	\$ 289,607	\$ 289,607	\$ 47,036		
Accounts receivable .....	—	76,914	76,914	134,651		
Prepaid expenses .....	—	7,798	7,798	4,657		
Inventory .....	—	25,206	25,206	12,937		
	—	399,525	399,525	199,281		
<b>Capital Assets</b>						
Equipment .....	235,632	—	235,632	193,550		
<b>Other Assets</b>						
Deposit .....	—	75	75	75		
	<u>\$ 235,632</u>	<u>\$ 399,600</u>	<u>\$ 635,232</u>	<u>\$ 392,906</u>		
<b>Liabilities and Fund Balance</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities .....	\$ —	\$ 37,110	\$ 37,110	\$ 27,660		
Deferred income .....	—	2,175	2,175	15,850		
	—	39,285	39,285	43,510		
Unappropriated Fund Balance .....	—	360,315	360,315	155,846		
Appropriated Fund Balance .....	235,632	—	235,632	193,550		
	<u>235,632</u>	<u>360,315</u>	<u>595,947</u>	<u>349,396</u>		
	<u>\$ 235,632</u>	<u>\$ 399,600</u>	<u>\$ 635,232</u>	<u>\$ 392,906</u>		

## South East Regional College

### Statement of Changes in Fund Balances

For the Year Ended June 30, 1988

	1988				1987
	Capital Fund	Operating Fund		Total	Total
		Un-Appropriated	Appropriated		
Fund balance, beginning of Year .....	\$ 193,550	\$ 155,846	\$ —	\$ 349,396	\$ 256,332
Excess of Revenue over Expenditures .....	—	204,924	—	204,924	49,319
Prior Year's Adjustment ..	—	(455)	—	(455)	14,454
	193,550	360,315	—	553,865	320,105
Purchase of Capital Assets .....	42,082	—	—	42,082	40,018
Disposal of Capital Assets .....	—	—	—	—	10,727
Fund Balance, end of Year .....	\$ 235,632	\$ 360,315	\$ —	\$ 595,947	\$ 349,396

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1988

	1988 Total	1987 Total
<b>Revenue</b>		
Saskatchewan Education .....	\$ 1,682,335	\$ 1,170,741
Federal government .....	148,130	—
Other .....	341,772	291,402
Total .....	\$ 2,172,237	\$ 1,462,143
<b>Expenditures</b>		
Capital Expenditures .....	\$ 42,082	\$ 33,618
Leasehold Improvements .....	—	—
Contractual and Professional Services .....	485,277	88,827
Rentals .....	178,341	214,540
Repairs and Maintenance .....	8,347	1,833
Operating Expenses (Schedule 3) .....	391,891	199,761
Personal Services .....	861,375	874,245
Total .....	1,967,313	1,412,824
Excess of Revenue over Expenditures before Appropriation .....	204,924	49,319
Current Year Appropriation .....	—	—
Excess of Revenue over Expenditures .....	\$ 204,924	\$ 49,319

# South East Regional College

## Schedule of Revenue by Function For the Year Ended June 30, 1988

	General Administration						Programming			Support Services		Totals	
	Board	Admin-istrative	Organi-zational	General Revenue	Community and Individual Development		Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	1988 Totals	1987 Totals
Saskatchewan Education													
Administrative recovery	\$ —	\$ 10,000	\$ 68,964	\$ —	\$ —	\$ 6,718	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 85,682	\$ 113,663
Flat grant	—	—	—	733,566	—	—	—	—	—	—	—	733,566	660,396
Program payments	—	—	—	—	—	293,638	445,770	—	—	—	—	739,408	396,682
Other	—	—	—	—	1,773	—	—	—	—	—	121,906	123,679	—
Total	—	10,000	68,964	733,566	1,773	300,356	445,770	—	—	—	121,906	1,682,335	1,170,741
Federal Government													
CJS seat purchases	—	—	—	—	—	52,974	4,042	—	—	—	—	57,016	—
CJS projects	—	9,820	—	—	—	20,600	55,575	—	—	—	—	85,995	—
Other	—	—	—	5,119	—	—	—	—	—	—	—	5,119	—
Total	—	9,820	—	5,119	—	73,574	59,617	—	—	—	—	148,130	—
Other													
Administrative recovery	—	—	—	—	—	7,695	826	—	—	—	—	8,521	—
Contracts	—	—	—	—	1,294	9,988	—	1,933	—	—	—	13,215	—
Interest and dividends	—	—	—	13,885	—	—	—	—	—	—	—	13,885	4,695
Rents	—	679	651	100	647	—	4,805	—	—	—	—	6,882	9,600
Resale items	—	—	—	—	5,908	682	28,939	—	7	—	—	35,536	34,197
Tuition	—	—	—	—	110,006	35,838	90,341	1,793	635	863	239,476	240,986	240,986
Other	—	489	440	18,905	10	2,514	1,759	—	115	25	24,257	24,257	1,924
Total	—	1,168	1,091	32,890	117,865	56,717	126,670	3,726	757	888	341,772	291,402	291,402
Total Revenue	\$ —	\$ 20,988	\$ 70,055	\$771,575	\$ 119,638	\$ 430,647	\$ 632,057	\$ 3,726	\$ 757	\$122,794	\$2,172,237	\$1,462,143	\$1,462,143

## Schedule of Expenditures by Function For the Year Ended June 30, 1988

Schedule of Expenditures by Function												Schedule 2											
For the Year Ended June 30, 1988																							
General Administration												Programming		Support Services		Totals							
Community and Individual Development												Adult Basic Education		Vocational Technical		University Credit		Career Services		Student Services		Totals	
Board	Admin-istrative	Organi-zational	General Revenue																				
\$	—	\$ 32,321	\$ 4,542	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 33,618		
Capital expenditures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Leasehold improvements	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Contractual and Professional services	—	24,837	23,842	—	—	60,051	21,204	352,159	2,445	739	—	—	—	—	—	—	—	—	—	—	485,277		
Rentals	—	24,255	35,994	761	—	8,432	37,080	67,523	4,120	176	—	—	—	—	—	—	—	—	—	—	178,341		
Repairs and maintenance	—	3,611	2,155	—	—	156	2,201	224	—	—	—	—	—	—	—	—	—	—	—	—	214,540		
Operating — Schedule 3	14,758	42,505	100,468	9,918	—	16,736	48,514	58,909	4,368	1,338	—	—	—	—	—	—	—	—	—	—	8,347		
Personal services	14,142	151,419	285,202	29,839	—	170	260,741	88,301	—	—	—	—	—	—	—	—	—	—	—	—	391,891		
Total expenditures	\$ 28,900	\$278,948	\$452,203	\$ 40,518	\$ —	\$ 85,545	\$ 374,959	\$ 567,116	\$ 10,933	\$ 2,253	\$ 125,938	\$1,967,313	\$1,412,824										

## Schedule 2



## South East Regional College

### Schedule of Operating Expenditures

For the Year Ended June 30, 1988

### Schedule 3

	1988 Total	1987 Total
Advertising .....	\$ 32,261	\$ 19,782
Association fees and dues .....	3,054	2,540
Bad debts .....	—	409
Bank charges and interest .....	23	162
Computer software .....	2,269	—
Conference fees .....	1,225	—
Equipment purchases (u. \$500) .....	10,932	—
Inservice training fees .....	10,983	7,438
Insurance .....	2,813	2,244
Licences and taxes .....	964	—
Materials and supplies .....	46,939	30,068
Postage, freight and courier .....	14,421	19,649
Printing and duplicating .....	8,405	4,281
Resale items .....	34,700	—
Subscriptions .....	5,146	2,692
Telephone .....	47,677	40,772
Travel .....	62,434	58,160
Utilities .....	9,483	4,946
Other .....	98,162	6,618
	<u>\$ 391,891</u>	<u>\$ 199,761</u>

### Notes to Financial Statements

For the Year Ended June 30, 1988

#### 1. Summary of Significant Accounting Procedures

These financial statements have been prepared in accordance with the accounting policies contained in the Regional Colleges Accounting and Reporting Manual, and reflect the following policies:

##### Fund Accounting

A fund is a separate self-balancing set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

##### Operating Fund

This fund contains the current revenue, expenditures, assets and liabilities pertaining to the general activities of the College. Included in operating fund are expenditures for the acquisition of capital assets.

##### Capital Fund

This fund contains the capital assets of the college and the equity in the capital assets.

##### Capital Assets

Acquisition of capital assets are treated as an expenditure of the operating fund in the year of acquisition. The college uses a capital fund in order to maintain accountability for these capital assets. The fund balance is reduced by the original cost of assets that are disposed of by the college in the year of disposal. In accordance with this stated accounting policy, the college does not charge depreciation on its capital assets.

#### 2. Lease Commitment

##### Office and Classroom Space

Under the terms of various rental leases for office and classroom space, the college is committed to a rental expenditure of the following:

Year Ending	
June 30, 1989	\$ 40,344
June 30, 1990	38,090
June 30, 1991	5,200



## South East Regional College

### Office and Classroom Space

The college is committed to various rental leases for office and classroom space for which the term is not specified. If these leases continue in a consistent manner at present rental rates, the college would be committed to the following rental expenditure to that stated above:

Year Ending	
June 30, 1989	\$ 9,900
June 30, 1990	9,900
June 30, 1991	9,900
June 30, 1992	9,900
June 30, 1993	9,900

### Equipment

Under the terms of various lease agreements for office and instructional equipment, the college is committed to a rental expenditure of the following:

Year Ending	
June 30, 1989	\$ 9,471
June 30, 1990	9,218
June 30, 1991	7,953
June 30, 1992	2,651

The college is also committed to various rental leases for office equipment for which the term is not specified. These leases may be terminated on any renewal date. If these leases continue in a consistent manner at present rental rates, the college would be committed to the following rental expenditure in addition to those stated above:

Year Ending	
June 30, 1989	\$ 1,963
June 30, 1990	1,963
June 30, 1991	1,963
June 30, 1992	1,963
June 30, 1993	1,963

### 3. Pension Plan Contributions

The college operates a defined contribution pension plan administered by London Life, for all permanent/permanent part-time employees. The plan offers an annuity at retirement purchased by the balance in the employee's account through a Money Purchase Plan. The pension expense for the year is based on 6% of eligible employee's earnings for current service. The college does not make contributions in respect of past service.

## Cattle Marketing Deductions Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1989. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1989 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 11, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

## Cattle Marketing Deductions Fund

### Statement of Receipts and Payments

Year Ended March 31

	1989	1988
<b>Receipts</b>		
Collections under sections 3 and 4 of The Cattle Marketing Deductions Act and regulations	\$ 1,053,146	\$ 968,989
Less: Commissions on collections	31,206	29,636
	1,021,940	939,353
Bank and investment interest	80,110	52,408
Total receipts	1,102,050	991,761
<b>Payments</b>		
Grants (Schedule 1)	741,256	686,131
Advisory Committee expenses	2,915	2,272
Refund of deductions	21,295	13,952
Total payments	765,466	702,355
Excess of receipts over payments	336,584	289,406
Total cash and investments, beginning of year	805,696	516,290
Total cash and investments, end of year	\$ 1,142,280	\$ 805,696

(See accompanying notes to the financial statements)

### Notes to Financial Statement

March 31, 1989

#### 1. Accounting Policy

- These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1989, does not include accounts receivable of \$250,021 (1988 — \$188,389), accrued interest receivable of \$5,430 (1988 — \$148), commissions payable of \$7,501 (1988 — \$5,652), and accounts payable of \$0 (1988 — \$27).
- The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture and Food.

#### 2. Legislative Authority

- Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983 proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the Fund.
- The Fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the Fund subject to the approval of the Minister of Agriculture and Food.

## Cattle Marketing Deductions Fund

### Schedule of Grants

Year Ended March 31

	Schedule 1	
	1989	1988
Canadian Cattlemen's Association:		
Operating Expenses .....	\$ 88,354	\$ 81,811
National Beef Information Centre .....	96,750	87,000
National Advertising Campaign .....	415,750	257,250
	600,854	426,061
Veterinary Infectious Disease Organization .....	75,000	75,000
Saskatchewan Feed Testing Lab .....	.....	65,000
University of Saskatchewan — Animal and Poultry Science .....	.....	50,000
Saskatchewan Division — Beef Information Centre .....	40,000	25,000
Saskatchewan Livestock Association .....	.....	15,000
Dr. Andrew Schmitz .....	1,000	14,000
Saskatchewan Cattle Feeders' Association .....	8,402	7,220
Saskatchewan Feed Grain Users Association .....	5,000	5,000
Saskatchewan Stock Grower's Association — Saskatchewan Beef Information Centre .....	.....	3,500
Saskatchewan Agricultural Hall of Fame .....	.....	350
Western Cow/Calf Producers' Association .....	6,000	.....
Mankota Stockmen's Weigh Co. Ltd. ....	5,000	.....
	<u>\$ 741,256</u>	<u>\$ 686,131</u>

## Horned Cattle Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1989 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 11, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

## Horned Cattle Fund

### Balance Sheet

As at March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Cash .....	\$ 114,789	\$ 33,746
Marketable securities, at cost which approximates market .....	337,019	322,882
Accrued interest receivable .....	1,703	75
Inventory of cattle (Note 3) .....	457,594	507,145
Advance (Note 4) .....	64,068	30,000
	<u>\$ 975,173</u>	<u>\$ 893,848</u>
<b>Liabilities and Operating Surplus</b>		
Current Liabilities:		
Accounts payable .....	\$ 4,488	\$ 12,506
Operating surplus — Statement 2 .....	970,685	881,342
	<u>\$ 975,173</u>	<u>\$ 893,848</u>

(See accompanying notes to the financial statements)

## Horned Cattle Fund

### Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31

### Statement 2

	1989	1988
<b>Revenue</b>		
Collections under Section 3 and 4 of The Horned Cattle Purchases Act . . .	\$ 213,962	\$ 208,841
Less: Commission on collections . . . . .	3,163	5,876
	210,799	202,965
Pathlow Beef Project (Note 3) . . . . .	178,190	247,806
Bank and investment interest . . . . .	41,350	24,839
SouthWest Forage Association . . . . .	9,360	.....
Total revenue . . . . .	439,699	475,610
<b>Expenditure</b>		
Grants (Schedule 1) . . . . .	119,937	101,701
Pathlow Beef Research Project — operating costs . . . . .	228,342	267,922
Department of Agriculture and Food — The Horned Cattle Purchases Act Advisory Committee — meeting expenses . . . . .	2,077	5,864
Total expenditure . . . . .	350,356	375,487
Excess of revenue over expenditure . . . . .	89,343	100,123
Operating surplus, beginning of year . . . . .	881,342	781,219
Operating surplus, end of year . . . . .	\$ 970,685	\$ 881,342

(See accompanying notes to the financial statements)

### Statement of Changes in Financial Position

Year Ended March 31

### Statement 3

	1989	1988
<b>Cash provided by operating activities:</b>		
Excess of revenue over expenditure . . . . .	\$ 89,343	\$ 100,123
Net change in non-cash working capital balances related to operations* . .	5,837	(18,354)
Total cash provided by operating activities . . . . .	95,180	81,769
Cash position at beginning of year . . . . .	356,628	274,859
Cash position at end of year . . . . .	\$ 451,808	\$ 356,628
<b>Cash position comprises cash and marketable securities</b>		
*Accrued interest receivable . . . . .	\$ (1,628)	\$ (37)
Advance . . . . .	(34,068)	(30,000)
Inventory . . . . .	49,551	3,262
Accounts payable . . . . .	(8,018)	8,421
	\$ 5,837	\$ (18,354)

(See accompanying notes to the financial statements)

## Horned Cattle Fund

### Notes To The Financial Statements

March 31, 1989

#### 1. Accounting Policy

- (a) The financial statements of the Horned Cattle Fund are prepared on an accrual basis of accounting with the following modifications:  
Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accounts receivable of \$53,522 (1988 — \$37,215) and commissions payable of \$803 (1988 — \$558) are not included in these statements.
- (b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture and Food.
- (c) Cattle inventory is valued at approximate realizable value at the fiscal year end (Note 3).

#### 2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983, proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

#### 3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held is valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

#### Revenue from Pathlow Beef Project

	1989	1988
Cattle sales .....	\$ 227,741	\$ 251,068
Appreciation (decline) in value of opening herd .....	(49,551)	(3,262)
Total revenue .....	<u>\$ 178,190</u>	<u>\$ 247,806</u>

#### 4. Advance

The Advance represents funds advanced in 1988 and 1989 to the SouthWest Forage Association to buy cattle for use in a beef-forage research project conducted by the Swift Current Research Station.

The agreement with the SouthWest Forage Association requires the Association to remit the proceeds of cattle sales to the Horned Cattle Fund.

### Schedule of Grants

Year Ended March 31

### Schedule 1

	1989	1988
Canadian Western Agribition Association .....	\$ 35,000	\$ 35,000
University of Saskatchewan (Department of Animal and Poultry Science) ...	34,839	30,000
Melfort Agricultural Society .....	17,560	17,560
Saskatchewan Holstein-Friesian Association .....	4,000	8,000
Saskatchewan Livestock Association .....	.....	5,000
Saskatchewan Junior Hereford Association .....	.....	3,500
Alpine — Agro Ltd. ....	.....	1,641
Saskatchewan Young Canadian Simmentalers .....	.....	1,000
Saskatoon Prairieland Exhibition Corporation .....	8,000	.....
Mr. F. Wilson .....	538	.....
Maple Creek Veterinary Services District .....	20,000	.....
	<u>\$ 119,937</u>	<u>\$ 101,701</u>



## Whitespruce Youth Treatment Centre

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Whitespruce Youth Treatment Centre as at March 31, 1989 and the statement of revenue, expenditure and operating surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Centre as at March 31, 1989, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 23, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Cash .....	\$ 145,412	\$ 47,837
Accounts receivable .....	997	.....
Supplies inventory, at cost .....	3,293	17,889
Prepaid expenses .....	.....	2,253
Total assets .....	<u>\$ 149,702</u>	<u>\$ 67,979</u>
<b>Liabilities and Equity</b>		
Accounts payable .....	\$ 40,700	\$ 34,979
Advances repayable (Note 3) .....	95,908	33,000
Total liabilities .....	<u>136,608</u>	<u>67,979</u>
<b>Equity</b>		
Operating surplus (Note 3) .....	13,094	.....
	<u>\$ 149,702</u>	<u>\$ 67,979</u>

(See accompanying notes to the financial statements)

## Whitespruce Youth Treatment Centre

### Statement of Revenue, Expenditure and Operating Surplus

Year ended March 31

### Statement 2

	1989	1988
Revenue:		
Grant — Saskatchewan Alcohol and Drug Abuse Commission .....	\$ 2,804,762	\$ 608,656
Meals .....	15,386	.....
Donations .....	3,094	.....
Other revenue .....	8,345	.....
Total revenue .....	2,831,587	608,656
Expenditure:		
Building and property rental (Note 4) .....	1,217,000	2,671
Salaries and fringe benefits .....	1,110,619	271,014
Consultant .....	112,553	109,314
Contractual services .....	.....	66,858
Employee interview and relocation expenses .....	11,025	26,448
Employee training .....	18,426	34,860
Board honoraria and expenses .....	20,660	17,625
Travel .....	26,273	11,704
Advertising .....	3,526	17,429
Administration and office supplies .....	67,365	18,884
Telephone .....	47,686	11,851
Educational, recreational and medical supplies .....	33,905	8,642
Food .....	96,651	6,581
Workers' Compensation Board .....	10,389	3,764
Residential expenses .....	31,404	1,011
Cafeteria supplies and expenses .....	11,011	.....
Total expenditure .....	2,818,493	608,656
Excess of revenue over expenditure .....	13,094	.....
Operating surplus, beginning of year .....	.....	.....
Operating surplus, end of year .....	\$ 13,094	\$ .....

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1989

#### 1. Authority

The Board of Governors, Whitespruce Youth Treatment Centre was established by Order-in-Council 106/87 on February 10, 1987, pursuant to Section 86 of The Public Health Act. The primary purpose of the Board is to operate a youth treatment centre for drug and alcohol addiction.

#### 2. Significant Accounting Policies

##### (a) Basis of Accounting

The accounts of the Centre are maintained on the accrual basis of accounting.

##### (b) Revenue

Advances are received from the Saskatchewan Alcohol and Drug Abuse Commission (SADAC) pursuant to a letter of understanding between the Centre and SADAC. Amounts required to pay expenses and any amount allowed to be retained by the SADAC surplus retention policy are recorded as revenue and the balance is recorded as payable to SADAC.

An agency funded by SADAC may annually retain a surplus from operations equal to the lesser of \$10,000 or 5% of its budget for the previous year. Operating surpluses may be accumulated to the lesser of \$25,000 or 20% of the budget for the previous year.

#### 3. Advances Repayable

Advances repayable represent grants received from the Saskatchewan Alcohol and Drug Abuse Commission in excess of expenses and surplus retention and are repayable in accordance with the Centre's accounting policy.

#### 4. Occupancy Costs

Effective April 1, 1988, the Centre entered into an arrangement with Saskatchewan Property Management Corporation. Building and property rental of \$1,217,000 was paid under the arrangement in 1989.

## Forest Renewal and Development Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Forest Renewal and Development Fund as at March 31, 1989, and the statements of revenue, expenditure and fund balance and changes in cash position for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Forest Renewal and Development Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the period then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding period.

Regina, Saskatchewan,  
August 29, 1989.

G. F. Wendel, C.A.,  
A/Provincial Auditor.

### Balance Sheet

#### Statement 1

As at March 31

	1989	1988
<b>Assets</b>		
Current:		
Cash .....	\$ 188,499	\$ —
Investments .....	1,007,363	—
Accrued interest receivable .....	6,140	—
Due from Consolidated Fund .....	—	4,130,356
Accounts receivable .....	200,345	171,416
<b>Total Assets .....</b>	<b>\$ 1,402,347</b>	<b>\$ 4,301,772</b>
<b>Liabilities and Fund Balance</b>		
Accounts payable (Note 3) .....	\$ 772,440	\$ 1,045,508
Fund balance (Statement 2) .....	629,907	3,256,264
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 1,402,347</b>	<b>\$ 4,301,772</b>

(See accompanying notes)

### Statement of Revenue, Expenditure and Fund Balance

#### Statement 2

Period Ended March 31

	1989	1988
<b>Revenue</b>		
Federal Government of Canada —		
Softwood Lumber Products export charges .....	\$ 2,161,792	\$ 4,301,772
Interest income .....	147,755	—
<b>Total Revenue .....</b>	<b>2,309,547</b>	<b>4,301,772</b>
<b>Expenditure</b>		
Forestation Projects		
— Site Preparation and Planning .....	3,481,432	591,275
— Cone Collections .....	28,948	89,494
— Operation of P.A. Nursery .....	889,643	263,290
— Operations of Big River Nursery .....	535,881	101,449
<b>Total Expenditure .....</b>	<b>4,935,904</b>	<b>1,045,508</b>
Excess of (expenditure over revenue) revenue over expenditure —		
Statement 3 .....	(2,626,357)	3,256,264
Fund balance, beginning of year .....	3,256,264	—
<b>Fund balance, end of year — Statement 1 .....</b>	<b>\$ 629,907</b>	<b>\$ 3,256,264</b>

(See accompanying notes)

## Forest Renewal and Development Fund

### Statement of Changes in Cash Position

Period Ended March 31

### Statement 3

	1989	1988
Cash provided by (used in):		
Operations:		
Excess of (expenditure over revenue) revenue over expenditure —		
Statement 2 .....	\$ (2,626,357)	\$ 3,256,264
Net change in non-cash working capital balances:		
Decrease (increase) in Accrued Interest Receivable .....	(6,140)	—
(Increase) decrease in Miscellaneous Receivables .....	4,101,427	(4,301,772)
Increase (decrease) in Accounts Payable .....	(273,068)	1,045,508
	1,195,862	—
Cash and Investments, beginning of year .....	—	—
Cash and Investments, end of year .....	\$ 1,195,862	\$ —

(See accompanying notes)

### Notes to the Financial Statements

March 31, 1989

#### 1. Accounting Policies

The accounts of the Fund are maintained on an accrual basis of accounting.

##### (a) Revenue Recognition

An account receivable is recorded for export charges payable to Saskatchewan by the Government of Canada for the period prior to the year end. The amount payable by Canada in turn is related only to charges received prior to March 31 less an administration fee.

##### (b) Short Term Investments

Short term investments are stated at cost which approximates market value.

#### 2. Establishment of the Fund

The Forest Renewal and Development Fund was established in November 1987 under an amendment to **The Department of Parks and Renewable Resources Act**. Under its governing legislation, the Fund received monies paid to Saskatchewan pursuant to **The Softwood Lumber Products Export Charges Act (Canada)** and the assets of the fund may be used for the following purposes:

- to establish new forest growth on provincial lands;
- to develop and enhance the provincial timber resource;
- to conduct research and surveys required in the development or enhancement of the provincial timber resource.

Because export charges were exigible beginning in January, 1987, the amending legislation was passed with retroactive effect to January 1, 1987. Saskatchewan first received monies, in respect to its share of the export charges levied, in July, 1987.

#### 3. Accounts Payable

Treasury Board has given authority that the Resource Protection and Development Revolving Fund will undertake reforestation activities on behalf of the Forest Renewal and Development Fund and will recover from that fund, costs for those activities. The \$772,440 represents the amount owing to the Resource Protection and Development Revolving Fund.

#### 4. Comparative Figures

The export charge revenue received from the Government of Canada in the 1987-88 year relates to Saskatchewan's portion of charges received by Canada in the fifteen month period ended March 31, 1988.

## Assurance Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Assurance Fund as at March 31, 1989 and the statement of receipts, payments and transfers to Consolidated Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 6, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

March 31, 1989

### Statement 1

	1989	1988
<b>Assets</b>		
Cash .....	\$ 5,745	\$ 4,987
12.35% Bank of Montreal Banker's Acceptance maturing August 30, 1989, at cost (market value \$71,390) .....	70,649	.....
10% Province of Saskatchewan Debenture .....	.....	72,281
	<u>\$ 76,394</u>	<u>\$ 77,268</u>
<b>Liabilities and Fund Balance</b>		
Due to the Consolidated Fund (Note 5) .....	\$ 1,394	\$ 2,268
Fund balance (Note 4) .....	75,000	75,000
	<u>\$ 76,394</u>	<u>\$ 77,268</u>

(See accompanying notes to the financial statements)

### Statement of Receipts, Payments and Transfers to Consolidated Fund

Year Ended March 31, 1989

### Statement 2

	1989	1988
<b>Receipts:</b>		
Fees: Land Titles Registration District (Note 3)		
— Battleford .....	\$ 6,991	\$ 7,926
— Humboldt .....	4,020	4,621
— Moose Jaw .....	7,494	10,092
— Prince Albert .....	9,541	9,776
— Regina .....	33,046	34,454
— Saskatoon .....	27,920	31,035
— Swift Current .....	6,665	6,652
— Yorkton .....	5,298	4,183
	<u>100,975</u>	<u>108,739</u>
<b>Other:</b>		
Interest on investments .....	8,063	8,063
Proceeds from matured investment .....	75,000	.....
Bank interest .....	1,394	.....
Total receipts .....	<u>\$ 185,432</u>	<u>\$ 116,802</u>
<b>Payments:</b>		
Claims incurred (Note 2(b)) .....	28,542	24,241
Purchase of investment .....	70,649	.....
Total Payments .....	<u>99,191</u>	<u>24,241</u>
Excess of receipts over payments .....	86,241	92,561
Increase in cash balance .....	758	.....
Current revenue refund (Note 5) .....	.....	2,268
Transfers to Consolidated Fund (Note 4) .....	<u>\$ 85,483</u>	<u>\$ 90,293</u>

(See accompanying notes to the financial statements)



## Assurance Fund

### Notes to Financial Statements

March 31, 1989

#### 1. Accounting Policy

- (a) The Assurance Fund has adopted the modified cash basis of accounting wherein revenue is recorded as collected and expenditures are recorded when payments are made except that revenue of the current fiscal year received prior to April 30 of the next fiscal year is recorded as revenue of the period, and expenditures for claims made before March 31 and paid before April 30 of the next fiscal year are recorded as expenditures for the period.
- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice.

#### 2. Legislative Authority

- (a) The fund was established pursuant to Section 106 of The Territories Real Property Act, the Statutes of Canada, 1886, and pursuant to Section 236 of The Land Titles Act is held by the Minister of Finance as trust moneys.
- (b) The fund, in accordance with the provisions of Sections 197, 198 and 205 of The Land Titles Act, is used to pay an amount to any person sustaining loss or damage through an omission, mistake or misfeasance of the registrar or an official in his office in the execution of his duties.

#### 3. Fees

The Land Titles Fees Regulations (O.C. 1004/83), issued pursuant to Section 233 of The Land Titles Act, as amended by The Land Titles Amendment Act, 1981 which came into force August 1, 1983, provides that the fund shall receive 1% of all fees actually received by each registrar.

#### 4. Transfer to Consolidated Fund

Pursuant to the provisions in Section 236(3) of The Land Titles Act, the Lieutenant Governor in Council has directed that sums in excess of \$75,000 be transferred to and form part of the Consolidated Fund.

#### 5. Due to the Consolidated Fund

The 1989 amount represents bank interest earned by the fund which was not paid to the Consolidated Fund until the 1989/90 fiscal year.

The 1988 amount represents two current revenue refunds which provided funds to pay two outstanding claims. The claims were not paid until the 1988/89 year.



## Social Services Central Trust Account

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Social Services Central Trust Account as at March 31, 1989 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 5, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

At March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Cash .....	\$ 30,971	\$ 5,398
Marketable securities at par — Note 1(b) (market value — 1988 — \$22,368) .....	.....	23,000
Accrued interest .....	279	312
	<u>\$ 31,250</u>	<u>\$ 28,710</u>
<b>Liabilities</b>		
Trust Accounts (Statement 2):		
Armour Estate — Note 3 .....	\$ 9,123	\$ 8,099
Family and youth allowance account .....	20,531	19,126
Unmarried parents' account .....	529	492
Ward trust account .....	1,067	993
	<u>\$ 31,250</u>	<u>\$ 28,710</u>

(See accompanying notes to the financial statements)

## Social Services Central Trust Account

### Statement of Revenue, Expenditure and Trust Balance

### Statement 2

Year Ended March 31

	1989	1988
<b>Armour Estate</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 666	\$ 380
— Trust Revenue	1,000	.....
Expenditure		
— To or on behalf of children's institutions	642	497
Increase (decrease) in trust account	1,024	(117)
Balance, beginning of year	8,099	8,216
Balance — end of year to Statement 1	<u>\$ 9,123</u>	<u>\$ 8,099</u>
<b>Family and Youth Allowance Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 1,430	\$ 906
Expenditure		
— Spending money and extra items for wards and payments to parents and wards on discharge	25	.....
Increase in trust account	1,405	906
Balance, beginning of year	19,126	18,220
Balance, end of year to Statement 1	<u>\$ 20,531</u>	<u>\$ 19,126</u>
<b>Unmarried Parents' Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 37	\$ 23
Balance, beginning of year	492	469
Balance, end of year to Statement 1	<u>\$ 529</u>	<u>\$ 492</u>
<b>Ward Trust Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 74	\$ 54
— Trust revenue	1,112	40
Expenditure		
— To parents on discharge	1,112	.....
Increase in trust account	74	94
Balance, beginning of year	993	899
Balance, end of year to Statement 1	<u>\$ 1,067</u>	<u>\$ 993</u>

(See accompanying notes to the financial statements)

## Social Services Central Trust Account

### Statement of Changes in Financial Position

Year Ended March 31

### Statement 3

	1989	1988
Cash provided by (used in) operating activities:		
Excess of Revenue over Expenditure (Expenditure over Revenue)		
Armour Estate .....	\$ 1,024	\$ (117)
Family and Youth Allowance Account .....	1,405	906
Unmarried Parents' Account .....	37	23
Ward Trust Account .....	74	94
Total Excess of Revenue over Expenditure .....	2,540	906
Changes in non-cash working capital:		
Decrease in Accrued Interest .....	33	.....
Decrease in Marketable Securities .....	23,000	.....
Cash provided by operating activities .....	25,573	906
Cash position at beginning of year .....	5,398	4,492
Cash position at end of year .....	\$ 30,971	\$ 5,398

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1989

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### (b) Investments

Investments are valued at par, the premiums and discounts having been written off at the date of acquisition. The acquisition of investments is made with the approval of the Investment Board.

##### (c) Interest Distribution

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

##### (d) Dormant Accounts

The department has followed the practice whereby upon discharge, if the whereabouts of the children are unknown, the balances in their trust accounts may, after one year, be divided among the other members of the family, if they are in the care of the department. If there are no other children of the same family in the care of the department, the balances of the trust monies are divided among the other children in care.

All moneys belonging to Government wards, except family allowance payments, which have been lying dormant for six years are paid over to the Minister of Finance for deposit to the consolidated fund as budgetary revenue.

#### 2. Related Party Transactions

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by the Department of Social Services appropriation.

#### 3. Armour Estate

Under Section 15 of The Department of Social Services Act, R.S.S. 1978 "the minister may accept grants ... bequests for the purposes of the department and shall administer the same, subject to the terms of any trust imposed by the donor or testator thereof, for the purposes of the department." In accordance with the foregoing, the department has assumed administration of the Armour Estate from the Department of Finance. This estate was bequeathed to the Regina Children Home in 1929.

#### 4. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services Central Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals established as wards of the Government.

## Social Services General Trust Account

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Social Services General Trust Account as at March 31, 1989 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 5, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

At March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Cash .....	\$ .....	\$ 14,069
Accrued interest .....	.....	182
	<u>\$ .....</u>	<u>\$ 14,251</u>
<b>Liabilities</b>		
Due to Consolidated Fund .....	\$ .....	\$ 3,262
Trust Accounts (Statement 2):		
Estates of deceased geriatric patients .....	.....	.....
Saskatchewan Assistance Plan recipients .....	.....	766
Private donations .....	.....	10,223
	<u>\$ .....</u>	<u>\$ 14,251</u>

(See accompanying notes to the financial statements)

## Social Services General Trust Account

### Statement of Revenue, Expenditure and Trust Balance

Year Ended March 31

### Statement 2

	1989	1988
<b>Estates of Deceased Geriatric Patients</b>		
Revenue		
— Provincial special care homes .....	\$ .....	\$ 352
— Interest distribution (Note 1 (b)) .....	.....	(42)
	.....	310
Expenditure		
— Beneficiaries and administrators of estates .....	.....	477
Decrease in trust account .....	.....	167
Balance, beginning of year .....	.....	167
Balance, end of year to Statement 1 .....	\$ .....	\$ .....
<b>Saskatchewan Assistance Plan Recipients</b>		
Revenue		
— Department of Social Services .....	\$ .....	\$ 2,887,531
— Interest distribution (Note 1 (b)) .....	.....	(531)
	.....	2,887,000
Expenditure		
— To or on behalf of recipients .....	766	2,888,346
Decrease in trust account .....	766	1,346
Balance, beginning of year .....	766	2,112
Balance, end of year to Statement 1 .....	\$ .....	\$ 766
<b>Private Donations</b>		
Revenue		
— Individuals .....	\$ .....	\$ 10,000
— Interest distribution (Note 1 (b)) .....	235	223
	235	10,223
Expenditure		
— To institutions .....	10,458	.....
(Decrease) Increase in trust account .....	(10,223)	10,223
Balance, beginning of year .....	10,223	.....
Balance, end of year to Statement 1 .....	\$ .....	\$ 10,223

(See accompanying notes to the financial statements)

## Social Services General Trust Account

### Statement of Changes in Financial Position Year Ended March 31

### Statement 3

	1989	1988
Cash provided by (used in) operating activities:		
Excess of expenditure over revenue		
Estates of Deceased Geriatric Patients	\$ .....	\$ (167)
Saskatchewan Assistance Plan Recipients	(766)	(1,346)
Private Donations	(10,223)	10,223
Total excess of expenditure over revenue	(10,989)	8,710
Changes in non-cash working capital:		
(Decrease) increase in Due to Consolidated Fund	(3,262)	3,262
Decrease in Accrued Interest	182	13
Net change in non-cash working capital	(3,080)	3,275
Cash (used in) provided by operating activities	(14,069)	11,985
Cash position at beginning of year	14,069	2,084
Cash position at end of year	\$ ..... \$	14,069

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1989

#### 1. Accounting Policies

##### (a) Basis of Accounting:

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which pertain to the previous year are recorded as paid in the previous year.

##### (b) Interest Distribution:

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

#### 2. Related Party Transactions

##### Costs Borne by Other Agencies:

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by the Department of Social Services appropriation.

#### 3. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services General Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals receiving assistance or other services from the Department.

#### 4. Wind-up of Trust Account

The trust account is no longer required for the purpose stated in Note 3. The surplus monies have been transferred to the Consolidated Fund in accordance with Section 4(2) of the Department of Social Services General Trust Account Regulations. The monies relating to unclaimed cheques have also been transferred to the consolidated fund.



## Crop Reinsurance Fund of Saskatchewan

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

We have examined the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 1989 and the statement of revenue, expenditure and fund deficiency for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
May 19, 1989.

Peat Marwick,  
Chartered Accountants.

### Balance Sheet

March 31, 1989 with comparative figures for 1988

	1989	1988
<b>Liability and Fund Deficiency</b>		
Liability:		
Due to Saskatchewan Crop Insurance Corporation (Note 3) .....	\$ 128,760,939	\$ 35,544,333
Fund deficiency .....	(128,760,939)	(35,544,333)
	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)

### Statement of Revenue, Expenditure and Fund Deficiency

Year Ended March 31, 1989 with comparative figures for 1988

	1989	1988
Revenue:		
Premium ceded from Saskatchewan Crop Insurance Corporation .....	\$ 19,372,533	\$ 19,243,021
Expenditure:		
Reinsurance paid to Saskatchewan Crop Insurance Corporation .....	112,589,139	.....
Excess (deficiency) of revenue over expenditure for the year .....	(93,216,606)	19,243,021
Fund deficiency, beginning of year .....	(35,544,333)	(54,787,354)
Fund deficiency, end of year .....	<u>\$ (128,760,939)</u>	<u>\$ (35,544,333)</u>

(See accompanying notes to the financial statements)

## Crop Reinsurance Fund of Saskatchewan

### Notes to Financial Statements

March 31, 1989

#### 1. Status of the Fund:

The Crop Insurance Agreement between the Governments of Saskatchewan and Canada provides for the establishment of two reinsurance funds:

- i) The Crop Reinsurance Fund of Saskatchewan — which is administered by the Government of Saskatchewan, and
- ii) The Crop Reinsurance Fund of Canada for Saskatchewan — which is administered by the Government of Canada.

#### 2. Significant Accounting Policies:

##### *Premiums ceded from Saskatchewan Crop Insurance Corporation*

Under the terms of the agreement indicated in Note 1, the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the Reinsurance Funds based on premiums received during the insurance year.

##### *Liability for claim payments from the Reinsurance Funds*

As provided for in the agreement indicated in note 1, payments may be made out of the Reinsurance Funds if indemnities required to be paid in an insurance year exceed the aggregate of:

- a) the premium receipts for the year less reinsurance premiums ceded.
- b) the reserve fund balance of the Saskatchewan Crop Insurance Corporation — Insurance operation.
- c) 2½% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

#### 3. Due to Saskatchewan Crop Insurance Corporation:

The balance due to Saskatchewan Crop Insurance Corporation represents:

- a) the difference between the estimated premium ceded during the year and the actual calculated for the year based on the gross premium collected; and
- b) the difference between the estimated claim submitted by the Corporation based on the estimated indemnities payable and the actual reinsurance claims calculated at the year end.

The Province of Saskatchewan, pursuant to the agreement described in Note 1, has agreed to make interest free advances to the Crop Reinsurance Fund of Saskatchewan so that the Reinsurance Fund can meet its obligations to the Saskatchewan Crop Insurance Corporation.

#### 4. Balance in the Crop Reinsurance Fund of Canada for Saskatchewan:

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1989, accounted for on a cash basis, was a deficit of \$81,797,667 (1988 — \$101,311,305).

## Farm Purchase Program Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program Fund for the year ended March 31, 1989. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1989 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 12, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Receipts and Payments

For the year Ended March 31, 1989

	1989	1988
<b>Receipts</b>		
Appropriation — Heritage Fund — Agricultural Division (Note 1) .....	\$ 10,664,986	\$ 8,585,999
Lease payments .....	7,835,627	9,626,317
Penalties .....	566,069	841,471
Interest on loans .....	469,693	449,793
Interest on investments .....	525,050	186,898
Total receipts .....	20,061,425	19,690,478
<b>Payments</b>		
Interest (Note 1) .....	20,008,042	19,972,465
Advertising .....	53,388	68,830
Total payments .....	20,061,430	20,041,295
Excess of receipts over payments (payments over receipts) .....	(5)	(350,817)
Cash, beginning of year .....	5	350,822
Cash, end of year .....	\$ .....	\$ 5

(See accompanying notes to the financial statement)

## Farm Purchase Program Fund

### Notes to Financial Statements

March 31, 1989

#### 1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

##### (a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

- (i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;
- (ii) penalties on arrears of lease payments;
- (iii) interest payments on loans for improvements made pursuant to Section 22 of The Land Bank Act;
- (iv) penalties on arrears of interest payments;
- (v) interest earned on deposits or investments;
- (vi) sums appropriated by the Legislature for the purposes of the fund;
- (vii) advances from the Consolidated Fund.

##### (b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

#### 2. Accounting Policies

- (a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1, and ending March 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1989 does not include the following items:

- (i) amount due from Department of Rural Development — Lands Branch — \$128,911 (1988 — \$375,750);
- (ii) accrued interest costs — \$6,834,817 (1988 — \$6,834,817);

- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture and Food.

#### 3. Advances

Pursuant to Section 8(4) of The Farm Purchase Program Act the fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

	1989	1988
Advances .....	\$ 9,210,000	\$ 8,591,000
Repayments .....	9,210,000	8,591,000
	\$ .....	\$ .....

## Municipal Potash Tax Sharing Administration Board

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statements of receipts, disbursements and fund balance of the Tax Distribution Fund and the General Administration Fund of the Municipal Potash Tax Sharing Administration Board for the year ended December 31, 1988. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
March 8, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Tax Distribution Fund

#### Statement of Receipts, Disbursements and Fund Balance

Year Ended December 31

#### Statement 1

	1988	1987
<b>Receipts:</b>		
Taxes received from taxing rural municipalities:		
Rocanville No. 151 .....	\$ 515,732	\$ 507,077
Spy Hill No. 152 .....	483,412	425,110
Pense No. 160 .....	271,845	274,222
Langenburg No. 181 .....	434,866	435,986
Usborne No. 310 .....	799,089	648,672
Colonsay No. 342 .....	446,872	476,648
Blucher No. 343 .....	512,445	571,415
Corman Park No. 344 .....	580,980	603,202
Vanscoy No. 345 .....	594,809	555,317
	<u>4,640,050</u>	<u>4,497,649</u>
Less amount allocated to the General Administration Fund (Note 3)		
— to Statement 2 .....	13,920	13,493
Amount available for distribution to participants .....	<u>4,626,130</u>	<u>4,484,156</u>
<b>Disbursements:</b>		
Payments to municipalities participating in municipal potash tax sharing:		
<i>Areas of Influence</i>	<i>Rural</i> (Schedule 1)	<i>Urban</i> (Schedule 2)
Pense .....	\$ 243,927	\$ 27,103
Esterhazy .....	1,286,737	142,971
Saskatoon/Lanigan .....	2,632,853	292,539
	<u>4,626,130</u>	<u>4,484,156</u>
Fund balance, December 31 .....	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)



## Municipal Potash Tax Sharing Administration Board

### General Administration Fund

#### Statement of Receipts, Disbursements and Fund Balance

Year Ended December 31

#### Statement 2

	1988	1987
Receipts:		
Allocation of tax receipts for administration purposes (Note 3)		
(Statement 1) .....	\$ 13,920	\$ 13,493
Interest on term deposit .....	198	.....
	<u>14,118</u>	<u>13,493</u>
Disbursements:		
Office facilities — S.A.R.M. ....	4,350	4,200
Secretary's honorarium and meeting expenses .....	4,960	4,930
Audit fee .....	2,037	2,015
Board members' allowances:		
Per diem .....	420	360
Sustenance .....	470	575
Mileage .....	511	440
Fidelity bond premium .....	100	100
Stationery, supplies and postage .....	66	.....
Sundry expenses .....	.....	46
Bank charges .....	.....	7
	<u>12,914</u>	<u>12,673</u>
Excess of receipts over disbursements .....	1,204	820
Fund balance, January 1 .....	7,953	7,133
Fund balance, December 31 .....	<u>\$ 9,157</u>	<u>\$ 7,953</u>

Fund balance is comprised of cash in bank

(See accompanying notes to the financial statements)

### Notes to The Financial Statements

December 31, 1988

#### 1. Basis of Accounting

The Board uses the cash basis of accounting to report the transactions of the Tax Distribution Fund and the General Administration Fund pursuant to Subsection 11(1) of The Municipal Tax Sharing (Potash) Act.

#### 2. Statutory Provisions

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of The Municipal Tax Sharing (Potash) Act as the body responsible for administering that Act. Under provisions of the Act, taxes are levied by rural municipalities upon the potash mine assessments within each taxing municipality and remittances of such taxes are made to the Board. Disbursements to participating municipalities are made on the basis of formulae prescribed in regulations issued under Section 13 of the Act.

As at December 31, 1988 all levies for 1988 had been collected and remitted to the Board by taxing municipalities and disbursements made to participating municipalities accordingly.

#### 3. Administration Costs

The costs of administering the Act are payable from monies collected and remitted to the Board by taxing municipalities and for that purpose the regulations provide that the Board may allocate up to ½ of 1% of collections to the General Administration Fund subject to the provision that the General Administration Fund shall not at any time exceed \$25,000. In addition, interest earned on short term investments is required to be credited to the General Administration Fund. During 1988, the Board approved an allocation to the General Administration Fund of 3/10 of 1% (1987 — 3/10 of 1%) of taxes collected.



## Municipal Potash Tax Sharing Administration Board

## Schedule 1

**Tax Distribution Fund**  
**Payments made to Participating Rural Municipalities**  
*Year Ended December 31*

R.M. #	Name	1988			1987		
		Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area
121	Moosomin .....	\$	\$ 41,958.81	\$	\$	\$ 39,246.86	\$
122	Martin .....		12,487.74			11,965.51	
129	Bratt's Lake .....	1,856.37			1,870.70		
130	Redburn .....	27,350.45			28,060.45		
131	Baidon .....	10,890.68			10,475.90		
151	Rocanville .....		254,749.95			241,224.63	
152	Spy Hill .....		349,157.28			337,905.93	
153	Willowdale .....		31,469.11			29,674.46	
159	Sherwood .....	10,890.68			10,101.76		
160	Pense .....	117,322.30			117,729.17		
161	Moose Jaw .....	51,978.23			53,377.21		
181	Langenburg .....		265,739.16			251,275.66	
183	Fertile Belt .....		229,774.46			220,165.34	
189	Lumsden .....	7,425.46			7,482.79		
190	Dufferin .....	13,242.07			13,843.15		
191	Marquis .....	2,970.22			3,117.97		
211	Churchbridge .....		60,940.18			57,434.44	
213	Saltcoats .....		40,460.32			38,768.44	
279	Mount Hope .....			647.87			641.03
280	Wreford .....			15,548.84			14,102.74
281	Wood Creek .....			2,267.54			2,243.62
283	Rosedale .....			971.80			961.55
309	Prairie Rose .....			41,139.64			40,385.13
310	Usborne .....			240,359.18			235,579.93
312	Morris .....			127,954.01			123,719.53
313	Lost River .....			106,574.35			104,809.03
314	Dundurn .....			60,575.69			61,218.72
315	Montrose .....			61,223.57			66,988.04
316	Harris .....			18,788.19			18,589.98
339	Leroy .....			28,182.27			28,205.48
340	Wolverine .....			142,207.11			136,219.68
341	Viscount .....			171,037.26			167,950.86
342	Colonsay .....			206,022.15			184,938.25
343	Blucher .....			353,004.36			348,209.31
344	Corman Park .....			516,998.98			505,455.15
345	Vanscoy .....			311,624.71			304,811.57
346	Perdue .....			55,392.75			58,654.60
371	Bayne .....			17,168.52			16,987.40
372	Grant .....			30,125.88			29,808.07
373	Aberdeen .....			112,729.10			99,360.24
376	Eagle Creek .....			12,309.38			12,180.23
Total payments — to Statement 1 .....		\$ 243,926.46	\$ 1,286,737.01	\$ 2,632,853.15	\$ 246,059.10	\$ 1,227,661.27	\$ 2,562,020.14

## Municipal Potash Tax Sharing Administration Board

**Tax Distribution Fund**  
**Payments made to Participating Urban Municipalities**  
*Year Ended December 31*

Urban Municipality	1988			1987			Schedule 2
	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	
Village of Aberdeen .....	\$ .....	\$ .....	4,906.23 \$	.....	.....	4,774.24	
Town of Allan .....	.....	.....	30,833.69	.....	.....	30,004.16	
Town of Asquith .....	.....	.....	5,298.35	.....	.....	5,155.79	
Village of Atwater .....	.....	468.73	.....	.....	447.21	.....	
Village of Bangor .....	.....	622.13	.....	.....	593.56	.....	
Village of Belle Plaine .....	2,638.69	.....	.....	2,661.75	.....	.....	
Village of Bethune .....	2,960.49	.....	.....	2,986.36	.....	.....	
Village of Bradwell .....	.....	.....	6,197.35	.....	.....	6,030.61	
Town of Bredenbury .....	.....	3,911.74	.....	.....	.....	.....	
Village of Briercree .....	1,303.26	8,624.57	.....	1,314.65	3,732.13	.....	
Town of Churchbridge .....	.....	.....	.....	.....	8,228.57	.....	
Village of Clavet .....	.....	.....	12,777.24	.....	.....	12,433.48	
Town of Colonsay .....	.....	.....	18,439.01	.....	.....	17,942.93	
Town of Dalmeny .....	.....	.....	11,094.00	.....	.....	10,795.54	
Town of Delisle .....	.....	.....	37,490.10	.....	.....	36,481.48	
Village of Disley .....	410.28	.....	.....	413.87	.....	.....	
Village of Drake .....	.....	.....	2,180.55	.....	.....	2,121.88	
Village of Drinkwater .....	2,542.16	.....	5,355.72	2,564.37	.....	5,211.64	
Village of Elstow .....	.....	.....	.....	.....	47,940.38	.....	
Town of Esterhazy .....	.....	50,247.48	.....	.....	6,504.80	.....	
Village of Gerald .....	.....	6,817.84	7,077.22	.....	.....	6,886.81	
Village of Guernsey .....	.....	.....	545.13	.....	.....	530.47	
Village of Kinley .....	.....	.....	.....	.....	9,610.84	.....	
Town of Langenburg .....	.....	10,073.36	.....	.....	.....	.....	
Town of Langham .....	.....	.....	10,472.36	.....	.....	10,190.62	
Town of Lanigan .....	.....	.....	51,223.70	.....	.....	49,845.61	
Village of Lockwood .....	.....	.....	334.73	.....	.....	325.72	
Town of Martensville .....	.....	.....	15,541.18	.....	.....	15,123.06	
Village of Meacham .....	.....	.....	1,310.24	.....	.....	1,274.98	
Village of Pense .....	16,636.65	.....	.....	16,782.03	.....	.....	
Village of Perdue .....	.....	.....	3,768.14	.....	.....	3,666.76	
Village of Plunkett .....	.....	.....	1,233.73	.....	.....	1,200.54	
Town of Rocanville .....	.....	31,089.35	.....	.....	29,661.89	.....	
Village of Spy Hill .....	.....	11,863.04	.....	.....	11,318.35	.....	
Village of Stockholm .....	.....	3,400.40	.....	.....	3,244.27	.....	
Village of Tantallon .....	.....	5,454.27	.....	.....	5,203.84	.....	
Village of Tuxford .....	611.40	.....	.....	616.87	.....	.....	
Village of Vancsoy .....	.....	.....	12,279.92	.....	.....	11,949.54	
Village of Viscount .....	.....	.....	13,733.62	.....	.....	13,364.13	
Town of Vonda .....	.....	.....	3,117.80	.....	.....	3,033.92	
Town of Warman .....	.....	.....	16,468.86	.....	.....	16,025.79	
Town of Watrous .....	.....	.....	14,039.66	.....	.....	13,661.94	

Municipal Potash Tax Sharing Administration Board

Tax Distribution Fund  
Payments made to Participating Urban Municipalities  
Year Ended December 31

Schedule 2

Urban Municipality	1988			1987		
	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area
Village of Welwyn	\$	6,306.50	\$	\$	6,016.94	\$
Village of Yarbo		4,091.36			3,904.02	
Village of Young			4,064.62			
Village of Zelma			2,756.08			
Total payments — to Statement 1	\$ 27,102.93	\$ 142,970.77	\$ 292,539.23	\$ 27,339.90	\$ 136,406.80	\$ 284,668.89

## Northern Revenue Sharing Trust Account

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the operating fund balance sheet and the capital fund balance sheet of the Northern Revenue Sharing Trust Account as at December 31, 1988 and the statements of operating fund revenue, expenditure and fund balance, capital fund continuity of equity in capital fund assets and capital fund revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Account as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements, applied, except for the change in the method of accounting for the operations of Uranium City Hospital as explained in Note 6 to the financial statements, on a basis consistent with that of the previous year.

Regina, Saskatchewan,  
April 28, 1989

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Operating Fund Balance Sheet

As at December 31

	<b>Statement 1</b>	
	1988	1987
<b>Assets</b>		
Cash		
On Hand — petty cash .....	\$ 500	\$ 700
On Deposit		
— demand .....	3,362,607	3,987,981
— term .....	7,000,000	6,000,000
	<u>10,363,107</u>	<u>9,988,681</u>
Receivables		
Taxes (Schedule 1)		
— Northern Settlements, Recreational Subdivisions and General .....	250,995	211,545
— Northern Hamlets .....	82,496	67,817
— Northern Villages .....	536	.....
— Schools .....	549,739	370,088
	<u>883,766</u>	<u>649,450</u>
Current portion of loan receivable .....	6,604	6,639
Water and Sewer .....	17,432	11,662
Accrued Interest and other Receivables .....	1,181,018	128,122
	<u>2,088,820</u>	<u>795,873</u>
Other Assets		
Loan receivable — long term portion .....	27,758	32,628
Inventory .....	10,000	10,000
Land for Resale .....	36,050	31,770
Tax Title Property .....	4,674	4,674
Prepaid expenses .....	9,466	8,526
	<u>87,948</u>	<u>87,598</u>
Equity in Uranium City Hospital (Note 6) .....	39,961	.....
	<u>\$ 12,579,836</u>	<u>\$ 10,872,152</u>

## Northern Revenue Sharing Trust Account

### Liabilities and Fund Balance

#### Due to Other Funds

Capital Fund (Note 7) .....	\$ 73,291	\$ 687,333
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#### Payables

General Accounts Payable (Notes 3 and 4) .....	1,707,776	1,389,638
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#### Due to Other Authorities on Account of Revenue Collections

— Northern Lights School Division .....	40,787	28,647
— Uranium City School Division .....	.....	451
— Northern Hamlets .....	3,180	8,541
— Northern Villages .....	2,327	927
— Uranium City Hospital .....	.....	89,691
Matured Uranium City Debenture Debt .....	427	17,921

#### Due to Other Authorities on Account of Uncollected Taxes

— Northern Hamlets (Schedule 1) .....	82,496	67,817
— Northern Villages (Schedule 1) .....	536	.....
— Schools (Schedule 1) .....	549,739	370,088
— Northern Village of Ile-a-la-Crosse .....	8,163	8,612
— Worker's Compensation Board .....	2,279	2,279

	<u>2,397,710</u>	<u>1,984,612</u>
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#### Other

Deferred grant revenues .....	3,654	15,339
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#### Asset Valuation Allowances

Taxes — Northern Settlements, Recreational Subdivisions and General (Schedule 1) .....	226,949	195,187
Other accounts receivable .....	31,942	26,102

	<u>258,891</u>	<u>221,289</u>
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#### Reserve

Future Expenditures of Northern Settlements and Recreational Subdivisions (Schedule 4) .....	1,003,057	269,110
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#### Fund Balance (Statement 2) .....

	<u>8,843,233</u>	<u>7,694,469</u>
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\$	<u>12,579,836</u>	\$ <u>10,872,152</u>
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(See accompanying notes)



# Northern Revenue Sharing Trust Account

## Operating Fund

### Statement of Revenue, Expenditure and Fund Balance

For the Year Ended December 31

## Statement 2

	Sewer and Water			General Municipal		1988	1987
	Northern Settlements	Recreational Subdivisions	Northern Settlements			Totals	Totals
	(See Schedule 4)	(See Schedule 4)	(See Schedule 4)				
<b>Revenues:</b>							
Net tax levy .....	\$ 41,465	\$ 47,381	\$ .....	476,612	\$ 565,458	\$ 600,292	
Land leases .....	44,425	.....	.....	1,896,454	1,940,879	148,244	
Land sales .....	.....	.....	.....	179,903	179,903	186,114	
Advances from Consolidated Fund for:							
— Operating grants (Note 3) .....	.....	.....	.....	5,252,700	5,252,700	5,252,229	
— Capital grants .....	.....	.....	.....	.....	.....	98,601	
Operating grants .....	.....	.....	.....	.....	.....	.....	
— unconditional .....	528,220	.....	.....	.....	528,220	502,799	
Other grants .....	.....	.....	.....	.....	.....	.....	
— conditional .....	64,171	.....	.....	.....	64,171	63,289	
Capital grants .....	19,823	.....	.....	.....	19,823	41,444	
Interest .....	76,187	12,333	.....	754,198	842,718	666,060	
User fees .....	.....	.....	23,811	.....	23,811	22,620	
Bad debt allowances reversed .....	173	59	.....	.....	232	1,396	
Reallocation of capital surplus (Note 7) .....	630,629	.....	.....	.....	630,629	.....	
Other .....	26,520	.....	.....	616	27,136	26,528	
	1,431,613	59,773	23,811	8,560,483	10,075,680	7,609,616	
<b>Expenditures:</b>							
Services — paid direct .....							
Capital expenditures .....	611,826	35,053	80,961	.....	727,840	745,811	
Transfers to northern hamlets .....	110,689	27,103	.....	20,384	158,176	183,304	
Operating grants (Note 3) .....	.....	.....	.....	.....	.....	246,384	
Capital grants (Note 4) .....	.....	.....	.....	5,672,939	5,672,939	5,252,229	
Operating costs .....	.....	.....	.....	1,311,752	1,311,752	1,303,556	
Transfers to allowances .....	27,613	3,780	13,877	400,393	400,393	8,943	
	750,128	65,936	94,838	7,411,719	8,322,621	7,751,246	
Excess (Deficit) of Revenues over Expenditures before the undernoted .....	681,485	(6,163)	(71,027)	1,148,764	1,753,059	(141,630)	
Accumulated operating equity of Uranium City Hospital (Note 6) .....	129,652	.....	.....	.....	129,652	.....	
	811,137	(6,163)	(71,027)	1,148,764	1,882,711	(141,630)	
Amount transferred (to) from reserve for future expenditures of Northern Settlements and Recreational Subdivisions .....	(811,137)	6,163	71,027	.....	(733,947)	237,347	
Excess of Revenue over Expenditures .....	\$ .....	\$ .....	\$ .....	1,148,764	1,148,764	95,717	
Fund Balance — beginning of year .....					7,694,469	7,598,752	
Fund Balance — end of year (to Statement 1) .....					\$ 8,843,233	\$ 7,694,469	

(See accompanying notes)



## Northern Revenue Sharing Trust Account

### Capital Fund

#### Balance Sheet

As at December 31, 1988

#### Statement 3

	1988	1987
<b>Assets</b>		
Due from Operating Fund (Note 7) .....	\$ 73,291	\$ 687,333
Capital Assets (Schedule 2) .....	8,118,334	7,992,926
	<u>\$ 8,191,625</u>	<u>\$ 8,680,259</u>
<b>Liabilities, Reserve and Equity</b>		
Unmatured Long Term Debt .....	\$ 12,037	\$ 14,547
Reserve for Future Capital Expenditures of Communities (Statement 5 and Schedule 3) .....	28,720	24,886
Equity in Capital Fund Assets (Statement 4 and Schedule 5) .....	8,150,868	8,640,826
	<u>\$ 8,191,625</u>	<u>\$ 8,680,259</u>

(See accompanying notes)

### Capital Fund

#### Statement of Continuity of Equity in Capital Fund Assets

For the Year Ended December 31

#### Statement 4

	1988	1987
Balance — beginning of year .....	\$ 8,640,826	\$ 8,838,500
Transferred to Operating Fund (Note 7) .....	(630,629)	.....
Capital expenditures from Operating Fund .....	158,176	183,304
Loss on fixed asset disposal .....	(7,981)	(5,355)
Long term debt retired during the year .....	2,510	4,442
Long term debt forgiven .....	.....	12,948
Transferred to Northern Hamlet of Wollaston .....	.....	(344,380)
Adjustment of recognized equity in net capital assets of Uranium City Hospital (Note 6) .....	(12,034)	.....
Depreciation for the year on hospital assets .....	.....	(48,633)
Balance — end of year (to Statement 3) .....	<u>\$ 8,150,868</u>	<u>\$ 8,640,826</u>

(See accompanying notes)

### Capital Fund

#### Statement of Revenue and Expenditure

For the Year Ended December 31

#### Statement 5

	1988	1987
<b>Revenues:</b>		
Communities		
Land sales .....	\$ 3,834	\$ 3,182
<b>Expenditures:</b>		
Communities		
Transfers to northern hamlets .....	.....	8,697
Excess (deficit) of revenues over expenditures		
— to reserve for future capital expenditures .....	3,834	(5,515)
Reserve for future capital expenditures		
— balance — beginning of the year .....	24,886	30,401
Reserve for future capital expenditures		
— end of the year (to Statement 3) .....	<u>\$ 28,720</u>	<u>\$ 24,886</u>

(See accompanying notes)

## Northern Revenue Sharing Trust Account

### Notes to Financial Statements

December 31, 1988

#### 1. Statutory Authority

The Northern Revenue Sharing Trust Account was established by Section 287 of The Northern Municipalities Act. The purpose of the Trust Account is to administer funds appropriated by the Legislature for the Northern Saskatchewan Administration District and revenues of a municipal nature generated from within the area of the Northern Saskatchewan Administration District outside the boundaries of towns and northern villages. The revenues generated are held, invested and disbursed for the benefit of the District and in payment of capital grants under the Northern Capital Grants Program and of expenses incurred in administering the Trust Account. The administration of the Trust Account is conducted in accordance with the provisions of The Northern Municipalities Act and the regulations under it. Receipts on behalf of northern hamlets and remittance of those receipts to northern hamlets are not considered revenue and expenditure of the Trust Fund.

#### 2. Significant Accounting Policies

##### i) Basis of Accounting

The financial statements of the Northern Revenue Sharing Trust Account have been prepared in accordance with accounting policies established by the Department of Urban Affairs for urban municipalities in Saskatchewan and with fixed asset accounting policies established by the Department of Health for hospitals in Saskatchewan on a basis consistent with that of the previous year.

##### ii) Northern Revenue Sharing Program Grants

For the purpose of paying operating grants to northern municipalities under the Northern Revenue Sharing Grants Program funds are advanced to the Trust Account from the Consolidated Fund of the Province for the April 1 to March 31 fiscal period of the Government of Saskatchewan. Additional amounts, if required, are funded internally from revenues of the Trust Account. The funds are then disbursed quarterly under authority of The Northern Municipalities Revenue Sharing Program Regulations, 1988, chapter N-5.1 Reg 8, to northern municipalities according to a payment schedule; allocated to the community in the case of northern settlements; and disbursed to the Town of Flin Flon, Manitoba under the requirements of The Flin Flon Extension of Boundaries Act, 1952. The disbursements to be made in the January — March quarter are accrued by the trust account at the year end.

##### iii) Northern Capital Grants Program

General revenues of the Trust Account are used for the purpose of paying capital grants to northern municipalities under the Northern Capital Grants Program. Grant applications under this program are approved by the Minister of Urban Affairs. Following approval, funds are disbursed to northern municipalities, or, in the case of northern settlements, allocated to the community, upon their compliance with The Northern Revenue Sharing Grants Regulations, chapter N-5.1 Reg 5.

##### iv) Administrative Expenses of the Trust Account

Expenditures directly incurred for materials, supplies and services utilized in the operation of the Trust Account are paid for out of the funds held in the Trust Account. In addition, the Trust Account is now charged with certain personnel and operational costs of the Prince Albert Land Use Division of the Department of Parks, Recreation and Culture. During the year 1988 the Trust Account was charged, by deduction from land revenue remitted, a total of \$390,000 representing 1987 operating costs of \$67,600 and 1988 operating costs of \$322,400 related to the Land Use Division. These expenditures are reflected in the financial statements. Although this expenditure is reflected in the financial statements, the Department of Parks, Recreation and Culture have, as yet, been unable to supply the management of the Trust Account with complete documentation to support the validity of this charge. As a result, the possibility exists that all or a portion of this charge will be recoverable by the Trust Account in a subsequent accounting period. All other administrative expenses of the Trust Account are borne by the Consolidated Fund and these financial statements do not include provisions for such expenses. The estimated administrative expenses borne by the Consolidated Fund on behalf of the Trust Account for the year ended December 31, 1988 totalled \$184,758.

##### v) Crown Land Leases Revenue

Revenues from Crown land leases are recognized when monies are received on behalf of the Trust Account by the Department of Parks, Recreation and Culture.

##### vi) Crown Land Sales Revenue

Revenues from Crown land instalment sales are recognized when monies are received by the Trust Account.

##### vii) Net Tax Levy Revenue

Taxes are levied annually, covering the period January 1 to December 31. The tax levies shown are net of penalties, cancellations, refunds and discounts.

## Northern Revenue Sharing Trust Account

### viii) Capital Assets Accounting Policy

Capital assets acquired by the Northern Revenue Sharing Trust Account are recorded at historical cost. As a general rule, capital assets having a cost of \$100 or more are capitalized for accounting purposes. The only exception to that rule would be in the case of office and shop machines and equipment where expenditures of amounts of less than \$100 may be capitalized depending upon the nature of the machines or equipment acquired.

Assets previously acquired on behalf of northern settlements by the Northern Municipal Council are reflected in the Capital Fund Balance Sheet on the basis of an inventory conducted of those assets in 1985.

Valuations of the fixed assets inventoried were established through estimates obtained from suppliers, from governmental sources that had contributed to the asset acquisition, or from management's estimates where other information sources were unknown. The total value established for the inventoried assets so capitalized is \$969,914.

The capital assets of Uranium City Hospital are accounted for on the equity basis and reflect policies in place for Saskatchewan Hospitals. The change in capital assets in each year resulting from net capital additions and depreciation provisions is reflected in the Statement of Continuity of Equity in Capital Fund Assets.

### ix) Uranium City Hospital — Basis of Accounting

Prior to reversion in status of the Municipal Corporation of Uranium City and District to the status of a town, and subsequently to a northern settlement, the Municipal Corporation operated under a Charter which allowed the municipal council to also function as the Hospital Board of the Uranium City Hospital.

Upon reversion in status, the assets and liabilities of the Northern Settlement were vested in the Minister on behalf of the Northern Settlement. The financial operations of the operating fund of the hospital are accounted for on the equity basis with changes in the net working assets of the hospital being reflected in the Statement of Revenue, Expenditure and Fund Balance. The reported equity in the financial statements does not include an accrual for the estimated funding of current year's operating deficits. As the adjustment is based on future negotiation, the amount, if any, cannot be determined at this time. Amounts when determined are treated as adjustments of reported equity and are accounted for in the year of settlement.

### x) Asset Valuation Allowance

The Northern Revenue Sharing Trust Account levies, collects and remits municipal taxes on a trust basis on behalf of northern hamlets and school taxes on behalf of the Ile a la Crosse, Northern Lights, and Uranium City School Divisions. In that capacity, the Northern Revenue Sharing Trust Account is merely acting as an agent of the northern hamlet and of the school divisions. Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan direct that, with respect to the provision of allowances for uncollected taxes, no provision for uncollectable taxes be made for taxes levied on a trust basis. Accordingly, these financial statements provide an allowance for uncollectable taxes only for uncollected municipal taxes levied with respect to the District outside of the boundaries of northern hamlets.

### xi) Reserve: Future Expenditures of Northern Settlements and Recreational Subdivisions

Under The Northern Municipalities Act, administrative responsibility and trusteeship over funds of northern settlements and recreational subdivisions rests with the Minister of Urban Affairs through the Trust Account. The reserve represents the accumulated excess of municipal revenues over expenditures and is maintained on an individual northern settlement and recreational subdivision basis. Revenues generated within each northern settlement and recreational subdivision can only be applied toward the payment of expenditures for that same community.

### xii) Interest Earnings

Interest earnings of the fund are allocated on the basis of the monthly balance for each community as accounted for within the reserve for future expenditures of northern settlements and recreational subdivisions along with an allocation to the general balance within the fund balance on the same basis.

## Northern Revenue Sharing Trust Account

### 3. Northern Revenue Sharing Program Grants

Funds advanced from the Consolidated Fund 1988-89 appropriation . . .	\$ 5,252,700
Trust Account funds utilized for Northern Revenue Sharing . . . . .	420,239
Total Program Funding . . . . .	<u>\$ 5,672,939</u>
Grants paid in 1988 to:	
Towns . . . . .	\$ 695,412
Northern Villages . . . . .	3,139,622
Northern Hamlets . . . . .	1,329,216
Northern Settlements . . . . .	528,221
Town of Flin Flon, Manitoba . . . . .	15,939
	<u>5,708,410</u>
Add Grants payable at December 31, 1988 . . . . .	1,273,963
Less Grants payable at December 31, 1987 . . . . .	(1,309,434)
Total Funds Expended . . . . .	<u>\$ 5,672,939</u>

### 4. Northern Capital Grants Program

Contribution to Northern Capital Grants Program from the Trust Account . . . . .	\$ 1,311,752
Total Program Funding . . . . .	<u>\$ 1,311,752</u>
Grant paid in 1988 under:	
Towns . . . . .	\$ 49,591
Northern Villages . . . . .	1,093,866
Northern Hamlets . . . . .	166,138
Northern Settlements . . . . .	19,823
	<u>\$ 1,329,418</u>
Less Grants payable at December 31, 1987 . . . . .	(17,666)
Total Funds Expended . . . . .	<u>\$ 1,311,752</u>

### 5. Contingent Liability

In 1988 the Province established, by regulation, a new five-year, \$6.2 million Northern Capital Grants Program. The program funding will come from the Fund Balance of the Northern Revenue Sharing Trust Account. The actual funding requirement over the life of the program and in any one year is dependent upon the dollar value of grant applications received and approved by the Minister of Urban Affairs. As at December 31, 1988, the liability of the Trust Account to provide future funding assistance to northern municipalities will not exceed \$4,914,396.

### 6. Uranium City Hospital Operation

#### Change in Accounting Policy

During 1988, the Minister of Urban Affairs, acting as Council of the District on behalf of the Northern Settlement of Uranium City, entered into an agreement with the Victoria Union Hospital of Prince Albert to manage and operate the Uranium City Hospital on behalf of the Minister as owner of the hospital. With the consummation of this agreement the relative responsibilities of legal ownership, management and control of the hospital operations was satisfactorily ascertained and the trust account adopted a new method of accounting for hospital operations.

Effective in 1988, the trust account reflects the changes in its equity in the net assets of the hospital in the financial statements. This policy has been adopted prospectively with the necessary adjustment to recognize the unrecorded equity at December 31, 1988 reflected, to the extent of the working capital (net working assets), as operating fund revenue and transferred to (from) the reserve for future expenditures, accordingly in Statement 2. The increase in capital assets since 1984 is reflected in the Capital Fund Balance Sheet and in the Statement of Continuity of Equity in Capital Fund Assets. Previously, only amounts due from (to) the Hospital and the capital assets vested in the Minister and administered by the trust account under the 1984 reversion order were reflected in the accounts, with depreciation recorded annually based on the 1984 recorded values.



## Northern Revenue Sharing Trust Account

### 7. Reallocation of Capital Surplus

On May 4, 1988, Regulation No. 27/88, was issued pursuant to section 286 of The Northern Municipalities Act authorizing the usage of capital funds held by the Trust Account on behalf of the Northern Settlement of Uranium City for operational purposes of that northern municipality. As a result of that Regulation, an amount of \$630,629 reflected on the Operating Fund Balance Sheet as "Due to Other Funds" under the classification "Capital Fund" has been eliminated in 1988 against a receivable of a similar amount reflected on the Capital Fund Balance Sheet under the classification "Due from Operating Fund". The "Equity in Capital Fund Assets" for the Northern Settlement of Uranium City on the Capital Fund Balance Sheet was reduced by \$630,629, with a corresponding increase in the "Reserve for Future Expenditures of Northern Settlements and Recreational Subdivisions" for the Northern Settlement of Uranium City on the Operating Fund Balance Sheet.

### 8. Comparative Financial Statements

For comparative purposes, certain 1987 balances have been reclassified to conform with the current year representation.

## Schedule of Taxes Receivable and Asset Valuation Allowance

As at December 31

## Schedule 1

	1988		1987	
	Taxes Receivable	Asset Valuation Allowance	Taxes Receivable	Asset Valuation Allowance
<b>General Municipal</b>				
<b>Northern Settlements</b>				
Brabant Lake .....	\$ 226	\$ 82	\$ 4	\$ 1
Camsell Portage .....	1,108	1,043	1,115	1,050
Descharme Lake .....	206	72	.....	.....
Garson Lake .....	323	113	.....	.....
Kinoosao .....	2,396	2,067	2,123	1,810
Sled Lake .....	1,117	966	1,303	1,133
Stony Rapids .....	3,903	2,553	3,770	2,432
Sturgeon Landing .....	199	176	155	129
Uranium City .....	189,571	183,354	164,034	158,667
	<u>199,049</u>	<u>190,426</u>	<u>172,504</u>	<u>165,222</u>
<b>Recreational Subdivisions</b>				
East Trout Lake .....	576	294	759	330
Jan Lake .....	4,733	3,142	2,513	1,353
Keeley Lake .....	572	248	523	185
Lac La Plonge .....	1,294	846	1,192	657
Little Amyot Lake .....	348	266	249	185
Little Bear Lake .....	934	557	752	334
Lower Fishing Lake .....	1,306	661	378	249
Michel Point .....	367	262	357	185
Napatak .....	706	406	560	208
Ramsey Bay .....	2,191	1,242	2,588	1,265
Sturgeon Weir .....	382	201	100	76
Tower Beach .....	273	208	315	185
Tyrrell Lake .....	260	163	280	146
Waden Bay .....	1,446	819	897	429
Whelan Bay .....	1,581	1,047	1,603	850
	<u>16,969</u>	<u>10,362</u>	<u>13,066</u>	<u>6,637</u>
<b>Northern Dispositions</b> .....	<u>34,977</u>	<u>26,161</u>	<u>25,975</u>	<u>23,328</u>
Total General Municipal (to Statement 1) .....	<u>\$ 250,995</u>	<u>\$ 226,949</u>	<u>\$ 211,545</u>	<u>\$ 195,187</u>

## Northern Revenue Sharing Trust Account

	Taxes Receivable 1988	Taxes Receivable 1987
<b>Northern Hamlets</b>		
Cole Bay .....	\$ 1,435	\$ 1,352
Deschambault Lake .....	31,117	25,638
Dore Lake .....	1,792	1,360
Jans Bay .....	.....	900
Michel Village .....	2,113	1,775
Missinipe .....	1,190	1,954
Patuanak .....	261	186
Pelican Narrows .....	21,731	17,731
St. George's Hill .....	255	190
Southend .....	99	.....
Stanley Mission .....	2,377	930
Timber Bay .....	337	200
Turnor Lake .....	1,789	1,320
Weyakwin .....	4,383	3,551
Wollaston Lake .....	13,617	10,730
Total Northern Hamlets (to Statement 1) .....	<u>\$ 82,496</u>	<u>\$ 67,817</u>
<b>Northern Villages</b>		
Jans Bay .....	\$ 536	\$ .....
Total Northern Villages (to Statement 1) .....	<u>\$ 536</u>	<u>\$ .....</u>
<b>Schools</b>		
Ile a la Crosse School Division .....	\$ 18,121	\$ 15,546
Northern Lights School Division .....	531,618	243,549
Uranium City School Division .....	.....	110,993
Total Schools (to Statement 1) .....	<u>\$ 549,739</u>	<u>\$ 370,088</u>

## Capital Fund

### Schedule of Capital Assets

For the Year Ended December 31, 1988

### Schedule 2

	Balance Dec. 31/87	Acquired From Operating Fund	Disposal	Other	Balance Dec. 31/88
Administration — land, buildings and equipment .. \$	344,229	\$ 53,127	\$ (7,005)	\$ (144,233)	\$ 246,118
Fire Protection .....	138,509	12,304	(3,834)	164,183	311,162
Heliport .....	5,090	.....	.....	.....	5,090
Public Works .....	1,049,571	7,994	(8,100)	(9,158)	1,040,307
Sanitation grounds .....	3,821	.....	.....	.....	3,821
Community service facilities .....	2,869,749	84,751	(1,795)	(20,142)	2,932,563
RCMP building and equipment .....	636,374	.....	.....	.....	636,374
Water and sewer facilities ..	2,572,940	.....	.....	1,350	2,574,290
Public housing .....	13,370	.....	.....	8,000	21,370
	<u>7,633,653</u>	<u>158,176</u>	<u>(20,734)</u>	<u>.....</u>	<u>7,771,095</u>
Net capital assets of Uranium City Hospital .....	359,273	.....	.....	(12,034)	347,239
Total (to Statement 3) .....	<u>\$ 7,992,926</u>	<u>\$ 158,176</u>	<u>\$ (20,734)</u>	<u>\$ (12,034)</u>	<u>\$ 8,118,334</u>



## Northern Revenue Sharing Trust Account

### Capital Fund

#### Schedule of Reserve for Future Capital Expenditure

#### Schedule 3

As at December 31

	1988	1987
<b>Northern Settlements</b>		
Brabant Lake .....	\$ 7,686	\$ 7,686
Camsell Portage .....	2,619	2,619
Kinoosao .....	4,341	3,741
Sled Lake .....	5,161	3,927
Stony Rapids .....	6,913	6,913
Sturgeon Landing .....	2,000	.....
Total Reserve (to Statement 3) .....	<u>\$ 28,720</u>	<u>\$ 24,886</u>



## Northern Revenue Sharing Trust Account

### Capital Fund

#### Schedule of Equity in Capital Fund Assets

As at December 31

Schedule 5

	1988			1987	
	Equity Represented by				
	Due from Operating Fund	Fixed Assets	Total Equity	Total Equity	
<b>Northern Settlements</b>					
Brabant Lake .....	\$ 1,500	\$ 169,229	\$ 170,729	\$	169,399
Camsell Portage .....	.....	75,270	75,270		75,269
Descharme Lake .....	.....	32,808	32,808		32,808
Garson Lake .....	.....	66,617	66,617		39,374
Kinoosao .....	1,928	140,100	142,028		147,100
Sled Lake .....	300	237,396	237,696		201,144
Stony Rapids .....	1,600	548,094	549,694		511,674
Sturgeon Landing .....	.....	120,200	120,200		117,963
Uranium City .....	7,735	6,607,387	6,615,122		7,253,044
	13,063	7,997,101	8,010,164		8,547,775
<b>Recreational Subdivisions</b>					
East Trout Lake .....	.....	13,255	13,255		4,255
Lac La Plonge .....	.....	495	495		495
Little Bear Lake .....	.....	4,825	4,825		.....
Lower Fishing Lake .....	.....	18,082	18,082		12,283
Waden Bay .....	.....	918	918		918
Whelan Bay .....	4,000	18,428	22,428		14,783
	4,000	56,003	60,003		32,734
<b>General</b> .....	15,471	65,230	80,701		60,317
<b>Total Equity (to Statement 3)</b> .....	\$ 32,534	\$ 8,118,334	\$ 8,150,868	\$	8,640,826

## Saskatchewan Archives Board

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Saskatchewan Archives Board as at March 31, 1989 and the statements of revenue, expenditure and balance of fund and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 13, 1989.

G. F. Wendel, C.A.,  
A/Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1989	1988
<b>Assets</b>		
Current:		
Due from The University of Saskatchewan .....	\$ .....	\$ 146,237
Accounts receivable .....	5,161	5,054
Grant receivable — Department of Parks, Recreation and Culture .....	200,000	.....
	<u>205,161</u>	<u>151,291</u>
Fixed:		
Equipment .....	269,016	212,187
	<u>\$ 474,177</u>	<u>\$ 363,478</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Due to The University of Saskatchewan .....	\$ 64,483	\$ .....
Accounts payable .....	17,128	16,493
Deferred revenue .....	10,208	10,208
	<u>91,819</u>	<u>26,701</u>
Equity:		
Equity in fixed assets .....	269,016	212,187
Balance of fund (Statement 2) .....	113,342	124,590
	<u>382,358</u>	<u>336,777</u>
	<u>\$ 474,177</u>	<u>\$ 363,478</u>

(See accompanying notes to the financial statements)

## Saskatchewan Archives Board

### Statement of Revenue, Expenditure and Balance of Fund

For the Year Ended March 31

### Statement 2

	1989	1988
Revenue:		
Grants:		
Department of Parks, Recreation and Culture .....	\$ 1,339,300	\$ 640,000
Department of Education .....	27,800	25,000
City of Regina .....	35,000	43,750
Western Canada Lotteries, Saskatchewan Division .....	.....	60,000
Canadian Council of Archives .....	94,500	81,800
Multicultural Council of Saskatchewan .....	1,000	.....
	1,497,600	850,550
Services .....	36,771	34,373
Photocopy sales .....	27,347	28,226
Magazine sales .....	6,749	4,097
Miscellaneous .....	5,569	5,655
	1,574,036	922,901
Expenditure:		
Salaries and benefits .....	864,555	745,717
Administrative services .....	608,433	62,949
Printing and postage .....	40,467	38,836
Equipment .....	56,829	14,027
Materials and supplies .....	15,000	13,622
	1,585,284	875,151
Excess of (expenditure over revenue) revenue over expenditure .....	(11,248)	47,750
Balance of fund, beginning of year .....	124,590	76,840
Balance of fund, end of year — to Statement 1 .....	\$ 113,342	\$ 124,590

(See accompanying notes to the financial statements)

### Statement of Changes in Financial Position

For the Year Ended March 31

### Statement 3

	1989	1988
Cash provided by (used in) operating activities		
Excess of revenue over expenditure (expenditure over revenue) .....	\$ (11,248)	\$ 47,750
Net change in non-cash working capital balances .....	(199,472)	(21,501)
Cash provided by (used in) operating activities .....	(210,720)	26,249
Due from The University of Saskatchewan, beginning of year .....	146,237	119,988
Due (to) from The University of Saskatchewan, end of year .....	\$ (64,483)	\$ 146,237

(See accompanying notes to the financial statements)

## Saskatchewan Archives Board

### Notes to Financial Statements

March 31, 1989

#### 1. Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

##### (a) Accrual Accounting

The financial statements are prepared in accordance with the accrual basis of accounting.

##### (b) Fixed Assets

The Saskatchewan Archives Board follows the policy of charging to current year's expenditure the full cost of all fixed assets purchased during the year. Equipment costing in excess of \$1,000 purchased after March 31, 1975 is also recorded at cost on the balance sheet, with a corresponding figure recorded as Equity in Fixed assets. No depreciation is recorded.

The Board has placed a nil value on the permanent collection of archival materials for financial statement purposes.

The cost of materials used to preserve the archival collection is expensed.

#### 2. Authority

The Saskatchewan Archives Board was established under the authority of The Archives Act for the purpose of acquiring and preserving historical documents relating to the history of Saskatchewan and providing these documents to the public for research purposes.

#### 3. Related Party Transactions

Administrative services are provided at nominal charge to the Board by The University of Saskatchewan and the University of Regina.

On April 1, 1988, the Board began paying the Saskatchewan Property Management Corporation for office space it leases in Regina. Lease payments totalled \$499,300 in 1988/89.

#### 4. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.



## The Saskatchewan Research Council Employees' Pension Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Saskatchewan Research Council Employees' Pension Fund as at December 31, 1988 and the statement of fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
January 30, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at December 31

### Statement 1

	1988	1987
<b>Assets</b>		
Cash .....	\$ 1,000	\$ 1,000
Contributions and other receivables .....	.....	258,380
Investments (Note 4) .....	14,182,141	12,175,142
	<u>\$ 14,183,141</u>	<u>\$ 12,434,522</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Pensions and other payables .....	\$ 132,895	\$ 1,172
Fund balance (Statement 2) .....	14,050,246	12,433,350
	<u>\$ 14,183,141</u>	<u>\$ 12,434,522</u>

(See accompanying notes to the financial statements)

### Statement of Fund Balance

Year Ended December 31

### Statement 2

	1988	1987
Fund balance, beginning of year .....	\$ 12,433,350	\$ 11,136,723
Add:		
Contributions		
— Employer .....	466,267	636,231
— Employee .....	418,567	429,232
Increase in net asset value of investments .....	1,355,290	446,061
Transfer of assets into Fund (Note 5) .....	9,893	73,204
Early retirement contribution .....	241,722	200,036
	<u>2,491,739</u>	<u>1,784,764</u>
Deduct:		
Refunds upon termination .....	408,121	130,270
Retirement benefits .....	225,000	157,831
Early retirement incentive .....	241,722	200,036
	<u>874,843</u>	<u>488,137</u>
Fund balance, end of year (Statement 1) .....	<u>\$ 14,050,246</u>	<u>\$ 12,433,350</u>

(See accompanying notes to the financial statements)

## Saskatchewan Research Council Employees Pension Fund

### Notes to the Financial Statements

December 31, 1988

#### 1. Description of the Pension Fund

The Saskatchewan Research Council Employees' Pension Plan was established May 1, 1974 for the purpose of providing retirement income to the Council's employees. The Plan is a defined benefit final average pension plan funded by specified monthly employee contributions for past and/or current service and by the Council's regular contributions.

The Plan directs that all the contributions, investment income and any other assets received for the purposes of the Plan will be deposited in the Pension Fund, and all benefits under the Plan paid therefrom.

#### 2. Significant Accounting Policies

##### a) Investments

Investments of the Fund are comprised of shares in three mutual funds managed by the Fund's investment advisor and shares in a Pooled Diversifund. Two of the mutual funds, the "Pooled Pension Trust" and the "U.S. Pooled Pension Trust" are equity funds, while the "Bond Fund" is a fixed income fund. The "Pooled Diversifund" is a combined fixed income — equity fund.

Contributions paid into the Pension Fund are used to purchase shares in the three mutual funds managed by the investment agency. No further shares will be purchased in the "Pooled Diversifund", which was received when a number of employees transferred to The Saskatchewan Research Council Employees' Pension Plan from a previous Plan administered by The Mutual Life Assurance Company of Canada.

Additional shares are acquired when periodic distributions are made by the funds. Cash dividends are not paid by the funds; however, investors can realize changes in the underlying share values by redeeming shares of the funds.

The shares in the four funds are recorded in the accounts at their net asset value per share. Net asset value per share is the market value of the investments in the particular fund's portfolio divided by the total number of outstanding shares in that fund. With respect to the U.S. Pooled Pension Trust, the market values of investments have been translated into Canadian dollars at the rate of exchange prevailing at year end. The Pension Fund follows the practice of recording the adjustment necessary to record its shares in the funds at net asset value as an increase or decrease in the Fund balance.

##### b) Administration Costs

Expenses incurred in the operation of the Fund are paid by the Council. Increases (decreases) in net asset value are shown net of management fees charged by the investment agency.

#### 3. Actuarial Valuation

An actuarial valuation was performed as at January 1, 1988 on The Saskatchewan Research Council Employees' Pension Plan. The actuary stated that using the accrued benefit actuarial cost method, the present value of accumulated benefits resulting from services provided to the valuation date was \$10,838,732. The actuary also stated that the value of Pension Fund assets was \$13,370,052 based on averaged market values. The resulting net actuarial surplus was stated to be \$2,531,320.

The next actuarial valuation is required to be performed no later than as at January 1, 1991.

#### 4. Investments

	1988				1987	
	<i>Pooled Diversifund</i>	<i>Bond Fund</i>	<i>Pooled Pension Trust</i>	<i>U.S. Pooled Pension Trust</i>	<i>Total</i>	<i>Total</i>
Investments						
at cost.....	\$ 172,212	\$ 2,601,937	\$ 3,073,082	\$ 1,290,336	\$ 7,137,567	\$ 6,485,858
Accumulated						
increase in net						
asset value.....	142,535	2,733,024	3,720,871	448,144	7,044,574	5,689,284
Investments at net						
asset value.....	\$ 314,747	\$ 5,334,961	\$ 6,793,953	\$ 1,738,480	\$14,182,141	\$12,175,142

#### 5. Transfer of Assets into Fund

This represents the amounts received upon the transfer of employees from former pension plans to the current Pension Plan. The actuary had taken the transfer into account in the valuation described in Note 3.

## Saskatchewan Sheep and Wool Marketing Commission

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Saskatchewan Sheep and Wool Marketing Commission as at December 31, 1988 and the statements of revenue, expenditure and retained earnings and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
March 21, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet As at December 31

### Statement 1

	1988	1987
<b>Assets</b>		
Current		
Cash .....	\$ 29,129	\$ 11,138
Accounts receivable .....	3,900	35,712
Inventories .....	5,335	5,275
Prepaid expense .....	629	860
	<u>38,993</u>	<u>52,985</u>
Furniture and equipment .....	12,701	12,460
	<u>\$ 51,694</u>	<u>\$ 65,445</u>
<b>Liabilities and Equity</b>		
Current		
Accounts payable .....	\$ 10,149	\$ 22,885
Equity		
Retained earnings — Statement 2 .....	28,844	30,100
Fixed assets .....	12,701	12,460
	<u>41,545</u>	<u>42,560</u>
	<u>\$ 51,694</u>	<u>\$ 65,445</u>

(See accompanying notes)

## Saskatchewan Sheep and Wool Marketing Commission

### Statement of Revenue, Expenditure and Retained Earnings

For the Year Ended December 31

### Statement 2

	1988	1987
<b>Revenue</b>		
Province of Saskatchewan grants		
— Administration	\$ 58,200	\$ 42,700
— ERDA Project (Note 5)	17,513	90,586
— Tripartite Program (Note 6)	21,695	19,952
Check-off fees	25,541	21,181
Sale of sheepman's supplies	24,179	22,104
Other	34,048	14,925
	<u>\$ 181,176</u>	<u>\$ 211,448</u>
<b>Expenditure</b>		
Salaries and benefits (Note 4)	\$ 87,444	\$ 74,465
General	38,155	40,482
Cost of sales — sheepman's supplies (Note 3)	18,563	16,552
ERDA Project — leasing of land	8,500	8,500
(Note 5) — maintenance of pasture	14,024	26,234
— general	10,346	22,438
— market study	5,400	33,856
	<u>\$ 182,432</u>	<u>\$ 222,527</u>
Excess of expenditure over revenue	(1,256)	(11,079)
Retained earnings, beginning of year	30,100	41,179
Retained earnings, end of year — Statement 1	<u>\$ 28,844</u>	<u>\$ 30,100</u>

(See accompanying notes)

### Statement of Changes in Cash Resources

Year Ended December 31

### Statement 3

	1988	1987
Cash provided by (used in):		
<b>Operating Activities</b>		
Excess of expenditures over revenue — Statement 2	\$ (1,256)	\$ (11,079)
Net change in non-cash working capital items:		
Decrease (increase) in accounts receivable	31,812	(21,137)
(Increase) decrease in inventory	(60)	1,652
Decrease in prepaid expenses	231	480
(Decrease) increase in accounts payable	(12,736)	18,354
(Decrease) in deferred revenue	.....	(19,049)
	<u>19,247</u>	<u>(19,700)</u>
Cash provided (used) by operating activities	<u>17,991</u>	<u>(30,779)</u>
Net increase (decrease) in cash and term deposits	17,991	(30,779)
Cash and term deposits, beginning of year	11,138	41,917
Cash and term deposits, end of year	<u>\$ 29,129</u>	<u>\$ 11,138</u>

(See accompanying notes)

## Saskatchewan Sheep and Wool Marketing Commission

### Notes to Financial Statements

December 31, 1988

#### 1. Accounting Policies

- i) The Commission records fixed asset purchases as expenditures in the year of purchase and records fixed asset disposals as revenue in the year of sale. The Commission discloses the cumulative cost of fixed assets as "Furniture and equipment" on the balance sheet with a corresponding entry to "Equity — Fixed Assets".
- ii) Inventory is valued at the lower of cost and net realizable value.
- iii) Province of Saskatchewan administration grants appropriated by the Legislature for the general purposes of the Commission are recorded upon receipt.
- iv) Other Province of Saskatchewan grants received for specific purposes are included in revenue to the extent of related expenses incurred during the year.
- v) Check-off fees are recorded as revenue in the period that the monies are received.

#### 2. Status of the Commission

The Commission was established by Order-in-Council 1534/74 and is continued under Section 38 of The Natural Products Marketing Act. The Commission was created to provide for the promotion, control, and regulation of the marketing of sheep and wool within the Province of Saskatchewan.

#### 3. Cost of Sales — Sheepman's Supplies

	1988	1987
Beginning inventory, January 1 .....	\$ 5,275	\$ 6,927
Purchases for the year .....	18,623	14,900
	23,898	21,827
Less: Ending inventory, December 31 .....	5,335	5,275
Cost of sales .....	\$ 18,563	\$ 16,552

#### 4. Commissioners' and Managers' Remuneration

During 1988, the Commissioners of the Commission received \$1,505 in remuneration (1987 — \$5,630). Management of the Commission in 1988 received \$36,090 in remuneration (1987 — \$33,410).

#### 5. ERDA Project

The Commission has an agreement with the Department of Agriculture — Province of Saskatchewan to conduct extension research and development on irrigated sheep pastures (ERDA Project) and a market study on the sheep industry, which is considered to be a part of the overall ERDA project.

#### 6. Tripartite Program

In 1986, the Commission agreed to act as an agent for the Department of Agriculture — Province of Saskatchewan to administer the Province's part of the administration of The National Tripartite Stabilization Scheme for Lambs established by a federal-provincial agreement. The related costs incurred to administer this agreement have been included in the expenditures of the Commission. In 1988, the Commission received a grant from the Province of Saskatchewan of \$21,695 (1987 — \$19,952) pursuant to Schedule C of the agreement to cover the costs of administration of this agreement.

#### 7. Subsequent Events

On April 19, 1989, Order-in-Council 283/89 was issued which directs The Natural Products Marketing Council take a vote of the producers on the question of whether or not a new Sheep Development Plan should be established. This proposed plan, if adopted, requires all real property assets, liabilities and goodwill of the Commission be transferred to a board established under the new plan. As of May 31, 1989, the vote has not taken place.



## The Saskatchewan Vegetable Marketing Commission

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of The Saskatchewan Vegetable Marketing Commission as at June 30, 1988 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Saskatchewan Vegetable Marketing Commission as at June 30, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
May 31, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At June 30

### Statement 1

	1988	1987
<b>Assets</b>		
Current		
Cash .....	\$ 7,186	\$ 4,222
Prepaid expense .....	300	.....
	7,486	4,222
Furniture and equipment (Note 1) .....	2,784	2,784
	<u>\$ 10,270</u>	<u>\$ 7,006</u>
<b>Liabilities and Equity</b>		
Accounts payable .....	\$ 117	\$ 1,048
Equity		
Surplus (Statement 2) .....	7,369	3,174
Furniture and equipment .....	2,784	2,784
	10,153	5,958
	<u>\$ 10,270</u>	<u>\$ 7,006</u>

(See accompanying notes to the financial statements)



## The Saskatchewan Vegetable Marketing Commission

### Statement of Revenue, Expenditure and Surplus For the Year Ended June 30

### Statement 2

	1988	1987
<b>Revenue</b>		
Department of Agriculture grant .....	\$ 12,800	\$ 14,250
Contractual Services .....	.....	9,330
Registration fees .....	45	680
Other revenue .....	161	.....
	<u>13,006</u>	<u>24,260</u>
<b>Expenditure</b>		
Administration .....	6,705	8,545
Travel .....	1,092	4,355
Salaries and benefits .....	654	1,987
Commissioners' fees .....	360	1,530
Research .....	.....	9,330
	<u>8,811</u>	<u>25,747</u>
Excess revenue over expenditure (expenditure over revenue) .....	4,195	(1,487)
Surplus beginning of year .....	3,174	4,661
Surplus end of year — Statement 1 .....	<u>\$ 7,369</u>	<u>\$ 3,174</u>

(See accompanying notes to the financial statements)

### Notes to Financial Statements

June 30, 1988

#### 1. Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting except for fixed asset purchases. Fixed assets are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account "Equity in Furniture and Equipment".

#### 2. Disestablishment of the Commission

The Saskatchewan Vegetable Marketing Commission was established by Order-in-Council #138/78, January 24, 1978 under authority of Section 22 of The Natural Products Marketing Act, 1972. On July 8, 1988 the Commission was disestablished pursuant to The Vegetable Marketing and Development Plan Regulations. All the assets and liabilities of the Commission were transferred to and vested in the Saskatchewan Vegetable Marketing and Development Board as at this date.

There were no transactions between June 30, 1988 and July 8, 1988 and therefore the assets and liabilities transferred to the Saskatchewan Vegetable Marketing and Development Board are those that existed at June 30, 1988 and which are shown on the balance sheet as at that date.

## South Saskatchewan River Irrigation District No. 1

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1988 and the statements of income, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1988 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
January 26, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

December 31, 1988

(with comparative figures for 1987)

### Statement 1

	1988	1987
<b>Assets</b>		
Current		
Cash and short-term investments	\$ 559,608	\$ 382,311
Accounts receivable	199,603	393,529
Accrued interest receivable	3,664	4,310
Prepaid expense	1,626	2,386
	<u>764,501</u>	<u>782,536</u>
Other designated assets:		
Irrigation system replacement reserve (Note 4)	1,007,094	924,664
Equipment replacement reserve (Note 5)	166,915	155,980
Fixed assets (Note 6)	139,293	165,145
	<u>\$ 2,077,803</u>	<u>\$ 2,028,325</u>
<b>Liabilities and Equity</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 8,090	\$ 11,710
Equity		
Contributed surplus	143,400	143,400
Retained earnings (Statement 3)	1,926,313	1,873,215
Total equity	<u>2,069,713</u>	<u>2,016,615</u>
	<u>\$ 2,077,803</u>	<u>\$ 2,028,325</u>

(See accompanying notes to the financial statements)

## South Saskatchewan River Irrigation District No. 1

### Statement of Income

December 31, 1988

(with comparative figures for 1987)

### Statement 2

	1988	1987
<b>Revenue</b>		
Province of Saskatchewan grants (Note 8) .....	\$ 24,769	\$ 20,825
Water rate charges and penalties .....	416,885	403,826
Custom work revenue .....	36,372	33,815
Other revenue .....	208,582	166,637
	<u>686,608</u>	<u>625,103</u>
<b>Expenses</b>		
Salaries and employee benefits .....	273,939	271,605
Pumping cost — power .....	358,782	265,819
Operations and maintenance .....	63,369	53,071
Depreciation .....	27,801	28,133
Fees and licences .....	5,480	5,657
Professional services .....	1,077	10,095
Travel and sustenance .....	2,377	2,396
Insurance .....	5,057	4,370
Bad debt expense .....	10,790	.....
Other .....	11,143	12,202
	<u>759,815</u>	<u>653,348</u>
Income from operations .....	(73,207)	(28,245)
Interest income .....	126,305	109,595
Net income for year (Statement 3) .....	<u>\$ 53,098</u>	<u>\$ 81,350</u>

(See accompanying notes to the financial statements)

### Statement of Retained Earnings

December 31, 1988

(with comparative figures for 1987)

### Statement 3

	1988	1987
<b>Retained Earnings</b>		
<b>Unappropriated</b>		
Balance, beginning of year .....	\$ 792,571	\$ 776,240
Add: Net income (Statement 2) .....	53,098	81,350
Transfers from:		
— Equipment replacement reserve .....	29,948	36,627
	<u>875,617</u>	<u>894,217</u>
Deduct: Transfers to:		
— Irrigation system replacement reserve .....	(82,430)	(63,746)
— Equipment replacement reserve .....	(40,883)	(37,900)
Balance, end of year .....	<u>752,304</u>	<u>792,571</u>
<b>Appropriated (Note 3)</b>		
Irrigation system replacement reserve		
Balance, beginning of year .....	924,664	860,918
Add: Transfer from unappropriated retained earnings .....	82,430	63,746
Balance, end of year (Note 4) .....	<u>1,007,094</u>	<u>924,664</u>
Equipment replacement reserve		
Balance, beginning of year .....	155,980	154,707
Add: Transfer from unappropriated retained earnings .....	40,883	37,900
Deduct: Transfers to unappropriated retained earnings .....	(29,948)	(36,627)
Balance, end of year (Note 5) .....	<u>166,915</u>	<u>155,980</u>
Total retained earnings, end of year (Statement 1) .....	<u>\$ 1,926,313</u>	<u>\$ 1,873,215</u>

(See accompanying notes to the financial statements)

## South Saskatchewan River Irrigation District No. 1

### Statement of Changes in Financial Position

December 31, 1988

(with comparative figures for 1987)

### Statement 4

	1988	1987
Cash provided by (used in):		
Operating Activities		
Net income	\$ 53,098	\$ 81,350
Add (deduct) items not requiring or generating cash:		
— depreciation	27,801	28,133
	80,899	109,483
Net change in non-cash working capital items	191,712	(214,415)
	272,611	(104,932)
Financing activities:		
Increase in other designated assets	(93,365)	(65,019)
Investment activities:		
Purchases of fixed assets	(1,950)	(36,627)
Net increase (decrease) in cash position	177,296	(206,578)
Cash and short-term investments, beginning of year	382,312	588,890
Cash and short-term investments, end of year	\$ 559,608	\$ 382,312

(See accompanying notes to the financial statements)

### Notes to Financial Statements

December 31, 1988

#### 1. Accounting Policies

- Fixed assets are recorded at cost, except for assets sold to South Saskatchewan River Irrigation District No. 1 by Department of Agriculture for the sum of \$1.00. These assets are valued at estimated net book value at the time of the transfer, April 1, 1976, with a corresponding amount reflected in contributed surplus.
- Depreciation is calculated on a straight-line basis with annual rates determined by expected yearly use. A maximum of fifteen years was used to depreciate assets purchased from Saskatchewan Agriculture.
- Long-term and short-term investments are stated at cost which approximate the market value.
- In accordance with established government practice, the District has not been charged with occupancy costs and no provision for such costs is reflected in these financial statements. These costs together with certain salary costs are absorbed by various departmental appropriations.

#### 2. Establishment of the District

In accordance with Section 3 of The South Saskatchewan River Irrigation Act, 1978, the District was established by Order-in-Council 1858/66 dated September 23, 1966. Effective April 1, 1976 the Board of Trustees of the District assumed responsibility from the Department of Agriculture for the administration, operation and maintenance of the South Saskatchewan River Irrigation District No. 1.

In accordance with Order-in-Council 1169/82, the 1982 Board, which consisted of three nominated and two appointed trustees, was terminated, effective December 31, 1982. Elections were held prior to December 31, 1982 and a five member Board was elected to serve on and from January 1, 1983 in accordance with The South Saskatchewan River Irrigation Act, 1978.

#### 3. Retained Earnings

The District has adopted the policy of appropriating retained earnings to establish the following reserves:

##### (a) Irrigation System Replacement Reserve

This reserve is to provide for the cost of major improvements or capital replacement of the irrigation system.

##### (b) Equipment Replacement Reserve

This reserve is to provide for the cost of maintaining and replacing equipment.

## South Saskatchewan River Irrigation District No. 1

### 4. Irrigation System Replacement Reserve

The amount appropriated in the current year is \$82,430 (1987 — \$63,746) which represents interest earned by the designated assets.

The following assets have been designated as relating to the Irrigation System Replacement Reserve:

	1988	1987
Cash .....	\$ 407	\$ 1,170
Short-term investment .....	967,918	892,792
Accrued interest receivable .....	38,769	30,702
	<u>\$ 1,007,094</u>	<u>\$ 924,664</u>

### 5. Equipment Replacement Reserve

The amount appropriated in the current year is \$40,883 (1987 — \$37,900) of which \$27,801 is depreciation estimates, \$13,082 is interest earned by the designated assets.

The following assets have been designated as relating to the Equipment Replacement Reserve:

	1988	1987
Cash and short-term investment .....	\$ 165,082	\$ 150,505
Accrued interest receivable .....	1,833	5,475
	<u>\$ 166,915</u>	<u>\$ 155,980</u>

### 6. Fixed assets

	Cost	Accumulated Depreciation	Book Value Dec. 31, 1988	Book Value Dec. 31, 1987
Operations and maintenance equipment .....	\$ 339,425	\$ 207,900	\$ 131,525	\$ 157,935
Small tools .....	3,658	3,611	47	215
Radio equipment .....	8,150	5,408	2,742	3,208
Metering equipment .....	4,323	4,323	.....	.....
Office equipment .....	8,500	3,521	4,979	3,787
	<u>\$ 364,056</u>	<u>\$ 224,763</u>	<u>\$ 139,293</u>	<u>\$ 165,145</u>

### 7. Capital Costs of Irrigation Systems and Works

With the transfer of the management of the District to the Board of Trustees effective April 1, 1976, fixed assets used in the operations of the District were sold to the District by the Department of Agriculture (Note 1a). The capital costs of the irrigation systems and works in place at the time of transfer have not been included in the assets of the District. These costs were originally reported in the Public Accounts of the Province of Saskatchewan in the Department of Agriculture.

### 8. Grant Revenue

According to the January 1, 1980 Memorandum of Understanding, between the Department of Agriculture (which has been assumed by the Saskatchewan Water Corporation) and the South Saskatchewan River Irrigation District No. 1 Board, the following was agreed upon:

The Saskatchewan Water Corporation would provide for the difference in gross revenue from operation and maintenance on the developed acreage for irrigation and the 42,000 acre base. In 1988 this grant amounted to \$24,769 (1987 — \$20,825).



## Special Projects Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Special Projects Fund as at March 31, 1989 and the statement of fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
September 14, 1989

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As at March 31

#### Statement 1

	1989	1988
Due from the Consolidated Fund (Note 3) .....	\$ .....	\$ 94,817
Fund balance .....	\$ .....	\$ 94,817

(See accompanying notes to the financial statements)

### Statement of Fund Balance

Year Ended March 31

#### Statement 2

	1989	1988
Fund Balance, Beginning of year .....	\$ 94,817	\$ 94,817
Transfer to Consolidated Fund .....	94,817	.....
Fund balance, end of year .....	\$ .....	\$ 94,817

### Notes to Financial Statements

March 31, 1989

#### 1. Authority

The Special Projects Fund is a special purpose fund established under the provisions of The Special Projects Fund Act which was assented to on June 2, 1983. The fund consists of an initial payment from the Consolidated Fund of the Province as required by the Act and any other amounts appropriated from the Consolidated Fund by the Legislature.

Subject to any terms or conditions set by the Minister to whom the administration of The Special Projects Fund Act is assigned, any member of the Executive Council may construct and equip capital projects.

Further, subject to the approval of the Lieutenant Governor-in-Council, the Minister may make grants or provide loans to any person, municipality, institution or other body of persons in equipping of capital projects. Any monies required for these purposes are to be provided out of monies appropriated from the Fund by the Legislature.

#### 2. Basis of Accounting

The accounts are maintained on a modified cash basis for a fiscal year commencing on April 1 and ending on March 31 thereafter. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in April which apply to the preceding fiscal year are reported as revenue of the preceding fiscal year, and payments made during April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

#### 3. Due from Consolidated Fund

This amount represents funds deposited to the credit of the Special Projects Fund in the Consolidated Fund of the Province pursuant to Section 16 of The Financial Administration Act, 1988.

This amount pursuant to Section 6(5) of The Special Projects Fund Act is non-interest bearing.

#### 4. Administrative Services

The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Finance.

#### 5. Repeal of The Special Projects Fund Act

On June 15, 1988, legislation was assented to which repealed The Special Projects Fund Act. Monies in the Special Projects Fund at this date were paid to the Consolidated Fund.



## The Workmen's Compensation Board Superannuation Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

We have examined the statement of financial position of The Workmen's Compensation Board Superannuation Fund as at December 31, 1988 and statements of operations and fund balance and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

The comparative figures for 1987 were reported on by another Chartered Accountant.

Regina, Canada,  
May 1, 1989.

Peat Marwick,  
Chartered Accountants.

### Statement of Financial Position

December 31, 1988 with comparative figures for 1987

	1988	1987
<b>Assets</b>		
Cash and short-term investments (Note 8) .....	\$ 577,223	\$ 1,453,691
Accounts receivable .....	62,266	62,416
Accrued interest .....	192,694	170,583
Investments (note 9) .....	10,860,482	9,056,122
	<u>\$ 11,692,665</u>	<u>\$ 10,742,812</u>
<b>Liabilities and Fund Balance</b>		
Accounts payable .....	\$ 3,786	\$ 89
Fund balance (note 5) .....	11,688,879	10,742,723
	<u>\$ 11,692,665</u>	<u>\$ 10,742,812</u>

(See accompanying notes to financial statements)

### Statement of Operations and Fund Balance

Year ended December 31, 1988 with comparative figures for 1987

	1988	1987
<b>Revenue:</b>		
Contributions from the Workers' Compensation Board (Injury Fund) .....	\$ 147,557	\$ 343,137
Contributions by employees .....	173,445	180,598
Investment income .....	1,058,624	931,281
Gain on sale of investments .....	45,265	359,235
	<u>\$ 1,424,891</u>	<u>\$ 1,814,251</u>
<b>Expenditures:</b>		
Superannuates' allowances .....	374,189	320,767
Refunds to employees leaving service:		
Contributions .....	53,499	26,000
Accrued interest .....	28,031	8,748
Administration expenses (note 3) .....	23,016	.....
	<u>478,735</u>	<u>355,515</u>
Excess of revenue over expenditures .....	946,156	1,458,736
Fund balance, beginning of year .....	10,742,723	9,283,987
Fund balance, end of year .....	<u>\$ 11,688,879</u>	<u>\$ 10,742,723</u>

(See accompanying notes to the financial statements)

## The Workmen's Compensation Board Superannuation Fund

### Statement of Changes in Financial Position

Year ended December 31, 1988 with comparative figures for 1987

	1988	1987
Operating activities:		
Excess of revenue over expenditures	\$ 946,156	\$ 1,458,736
Items not affecting working capital:		
Gain on sale of investments	(45,265)	(359,235)
Amortization of premium on purchase of long term investments	(9,237)	(16,386)
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	150	(26,759)
Accrued interest	(22,111)	(3,389)
Accounts payable	3,697	89
Cash provided by operations	873,390	1,053,056
Investing activities:		
Purchase of long-term investment	(2,513,792)	(2,186,732)
Sale of long-term investments	763,934	2,271,865
Cash (applied to) provided by investing activities	(1,749,858)	85,133
Increase (decrease) in cash during the year	(876,468)	1,138,189
Cash and short-term investments, beginning of year	1,453,691	315,502
Cash and short-term investments, end of year	\$ 577,223	\$ 1,453,691

(See accompanying notes to the financial statements)

### Notes to Financial Statements

December 31, 1988

#### 1. Description of the Plan

The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October, 1978.

#### 2. Significant Accounting Policies

##### Investments

- i) Investments are recorded in the accounts at cost. Any discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.
- ii) Short-term investments are recorded at cost which approximates market.

#### 3. Administrative Costs

On July 28, 1988, subsection 3(3) of The Workmen's Compensation Board Superannuation Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act. The amendment which is retroactive to April 1, 1988 establishes that sums required for the purpose of administering The Workmen's Compensation Board Superannuation Fund shall be a charge, on and paid out of, that fund.

The Workmen's Compensation Board Superannuation Fund is administered by the Public Employees Benefits Agency (PEBA). Prior to April 1, 1988, all expenditures for the administration of PEBA were paid out of the Consolidated Fund. During the year, subsection 32.1 (2) of The Department of Revenue and Financial Services Act was amended to establish The Public Employees Benefits Agency Revolving Fund. The Revolving Fund was established to account for all expenditures previously paid out of the Consolidated Fund for the administration of PEBA. In addition, the Minister of Finance may charge a fee for any services which he provides on behalf of the Revolving Fund.

These financial statements reflect the administration costs incurred by the Revolving Fund on behalf of The Workmen's Compensation Board Superannuation Fund for the period April 1, 1988 to December 31, 1988.

## The Workmen's Compensation Board Superannuation Fund

### 4. Investment management fees — Investment Corporation of Saskatchewan:

On June 6, 1988 The Workmen's Compensation Superannuation Board resolved to enter into a unanimous shareholder agreement with the Investment Corporation of Saskatchewan. The resolution was retroactive to June 1, 1988.

The Minister of Finance, on behalf of The Workmen's Compensation Board Superannuation Fund acquired 3,346 Class B shares and 100 Class A shares in the Investment Corporation of Saskatchewan (ICS). Under the provisions of the unanimous shareholders agreement, the responsibility for the investment management of the assets owned by The Workmen's Compensation Board Superannuation Fund were transferred to the ICS.

### 5. Fund Balance:

Fund balance represents the accumulated contributions and earnings that, together with future contributions and earnings, will provide for payment of superannuation allowances, the present value of which is disclosed in note 7.

### 6. Fund Contributions:

Member contributions are based on a percentage of salary. The Workers' Compensation Board (Injury Fund) provides contributions to the Superannuation Fund equal to .85 times the contributions made by employees.

### 7. Surplus:

According to an independent actuarial review done as at December 31, 1988, the value of the pension plan assets at December 31, 1988 is \$11,684,076 (1987 — \$10,851,450) and the estimated actuarial present value of accrued pension benefits attributed to services rendered to December 31, 1988 is \$9,917,297 (1987 — \$9,170,200). The Workers' Compensation Board is obligated to fund any deficiency in order to meet the Fund's retirement benefits and refund requirements.

The independent consulting actuary values these pension plan assets at market-related values whereby capital appreciation and depreciation, both realized and unrealized, is recognized over a period of four years. Experience gains and losses are amortized using the straight-line method over the expected average remaining service life of the plan participants.

### 8. Cash and short-term investments:

	1988	1987
Cash .....	\$ 48,939	\$ 80,565
Short-term investments .....	528,284	1,373,126
	<u>\$ 577,223</u>	<u>\$ 1,453,691</u>

### 9. Investments:

	1988		1987	
	Book Value	Market Value	Book Value	Market Value
Bonds and debentures .....	\$ 7,216,844	\$ 7,347,301	\$ 6,030,452	\$ 6,140,000
Equities .....	3,149,368	3,470,955	2,522,063	2,707,267
Mortgages at cost .....	494,270	512,813	503,607	518,646
	<u>\$ 10,860,482</u>	<u>\$ 11,331,069</u>	<u>\$ 9,056,122</u>	<u>\$ 9,365,913</u>

### 10. Comparative figures:

Certain of the comparative figures have been restated to conform with the current year's presentation.

## The Municipal Employees' Superannuation Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Municipal Employees' Superannuation Fund as at December 31, 1988 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
February 27, 1989.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At December 31

### Statement 1

	1988	1987
<b>Assets</b>		
Cash .....	\$ 855,981	\$ —
Contributions and other accounts receivable .....	1,400,710	1,320,369
Accrued interest .....	4,304,179	3,230,859
Investments (Note 3) .....	224,373,564	199,266,363
	<u>\$ 230,934,434</u>	<u>\$ 203,817,591</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Bank overdraft .....	\$ —	\$ 118,108
Accounts payable .....	198,318	105,824
Provision for future annuities .....	16,549,527	15,546,384
Total liabilities .....	<u>16,747,845</u>	<u>15,770,316</u>
<b>Fund balance:</b>		
Defined Benefit Plan .....	196,018,447	171,853,070
Money Accumulation Plan .....	14,075,184	13,719,413
Annuity Underwriting .....	(2,955,406)	(2,701,447)
Supplementary Benefits .....	7,048,364	5,176,239
Total Fund Balance .....	<u>214,186,589</u>	<u>188,047,275</u>
	<u>\$ 230,934,434</u>	<u>\$ 203,817,591</u>

(See accompanying notes to the financial statements)

# The Municipal Employees' Superannuation Fund

## Statement of Changes in Fund Balance Year Ended December 31, 1988

### Statement 2

	Defined Benefit Plan		Money Accumulation Plan		Annuity Underwriting Activity		Supplementary Benefits Activity		Total	Total
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Balance, Beginning of year .....	\$ 171,853,070	\$ 145,153,797	\$ 13,719,413	\$ 13,166,888	\$ (2,701,448)	\$ (2,637,478)	\$ 5,176,240	\$ 3,869,358	\$ 188,047,275	\$ 159,352,565
Add:										
Contributions										
— employees .....	6,627,251	6,472,567	73,531	98,173	.....	.....	.....	.....	6,700,782	6,570,740
— employers .....	6,627,251	6,472,567	48,251	79,470	.....	.....	.....	.....	6,675,502	6,552,037
Interest on funds transferred in .....	162,376	104,572	.....	.....	.....	.....	.....	.....	162,376	104,572
Interest earned .....	17,185,858	18,571,194	1,355,550	1,424,166	1,239,515	1,411,116	534,644	465,885	20,315,567	21,872,361
Contributions										
— Rural Pension supplement .....	15,053	15,182	.....	.....	.....	.....	.....	.....	15,053	15,182
	30,617,789	31,636,082	1,477,332	1,601,809	1,239,515	1,411,116	534,644	465,885	33,869,280	35,114,892
Deduct:										
Transfers to other retirement plans .....	337,142	208,259	.....	.....	.....	.....	.....	.....	337,142	208,259
Lump sum payments to estates .....	85,982	43,579	8,313	7,112	.....	.....	.....	.....	94,295	50,691
Payments in lieu of annuities .....	67,070	59,158	1,309	2,100	.....	.....	.....	.....	68,379	61,258
Payments to insurance company .....	.....	.....	.....	3,883	.....	.....	.....	.....	.....	3,883
Withdrawals with interest .....	1,220,881	946,883	30,508	1,297	.....	.....	.....	.....	1,251,389	948,180
Allowances .....	1,897,731	1,612,537	.....	.....	2,067,948	1,894,467	796,386	525,322	4,762,065	4,032,326
Actuary fees .....	8,205	8,485	.....	.....	.....	.....	.....	.....	8,205	8,485
Administration fees .....	205,348	.....	.....	.....	.....	.....	.....	.....	205,348	.....
Change in actuarial value .....	.....	.....	.....	.....	1,003,143	1,107,100	.....	.....	1,003,143	1,107,100
	3,822,359	2,878,901	40,130	14,392	3,071,091	3,001,567	796,386	525,322	7,729,966	6,420,182
Add (Deduct):										
Intra-fund transactions:										
Retirement annuities purchased .....	.....	.....	(1,577,618)	(1,526,481)	1,577,618	1,526,481	.....	.....	.....	.....
Excess employee contributions .....	(496,187)	(491,589)	496,187	491,589	.....	.....	.....	.....	.....	.....
	(496,187)	(491,589)	(1,081,431)	(1,034,892)	1,577,618	1,526,481	.....	.....	.....	.....
Net increase (decrease) .....	26,299,243	28,265,592	355,771	552,525	(253,958)	(63,970)	(261,742)	(59,437)	26,139,314	28,694,710
Balance before the following .....	198,152,313	173,419,389	14,075,184	13,719,413	(2,955,406)	(2,701,448)	4,914,498	3,609,921	214,186,589	188,047,275
Funds transferred .....	(2,133,866)	(1,566,319)	.....	.....	.....	.....	2,133,866	1,566,319	.....	.....
Balance, end of year .....	\$ 196,018,447	\$ 171,853,070	\$ 14,075,184	\$ 13,719,413	\$ (2,955,406)	\$ (2,701,448)	\$ 7,048,364	\$ 5,176,240	\$ 214,186,589	\$ 188,047,275

(See accompanying notes to the financial statements)



## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements

December 31, 1988

#### 1. Description of the Municipal Employees' Superannuation Fund

##### General

The Municipal Employees' Superannuation Act (Act), Section 11, provides authority for the Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. Effective June 1, 1988, the Investment Provisions Amendment Act placed the responsibility for holding in trust and investing the monies in the fund with the Municipal Employees' Superannuation Commission. Prior to this, all monies in the fund were paid to and held in trust by the Minister of Finance who invested such monies in securities authorized under The Pension Benefits Act. All other administrative responsibilities reside with The Municipal Employees' Superannuation Commission whose composition and authority to administer the Act are provided in Section 7 of the Act.

##### Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

##### Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The plan is mandatory for employees with one year of service. Contributions are established at 7% of earnings net of C.P.P. contributions and are matched by the employer.

At age 65 employees are entitled to pension benefits equal to:

- 1.3% of that portion of their average salary averaged over the five calendar years of highest salary which is not in excess of the average yearly maximum pensionable earnings for the three years immediately prior to retirement; and
- 2% of that portion of their average salary averaged over the five calendar years of highest salary, if any, which exceed the average yearly maximum pensionable earnings of the three years immediately prior to retirement.

For each year and fractional year of contributory service in the plan prior to retirement.

Employees who have attained the age of at least 55 years and who are credited with at least 15 years of continuous service may retire and receive early retirement pensions; however, such allowances are subject to reductions of .25% per month for each month that their early retirement dates precede their normal retirement dates.

Employees can retire without reduction if their age plus contributory service totals 80, (70 for policemen and firemen).

Upon termination of employment, where age and service totals less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf becomes a forfeiture to the fund.

When the terminating employee's age and service totals 45 years or more, he may either withdraw one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age; or, he may simply leave all funds with the plan and receive a "full" non-reduced deferred pension at normal retirement age.

When an employee dies and has less than 10 years of credited service to his credit, his named beneficiary is entitled to a lump sum refund on the decedent's contributions and interest. In cases where the deceased member did have at least 10 years of credited service to his credit, his surviving spouse, if any, is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for a pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved.

If a pensioner dies leaving a spouse or dependent, 60% of the pension is paid for life. If there is no spouse or dependent, the balance of member contributions plus interest at retirement, less pension payments, is paid in a lump sum.

Interest is allocated annually on the basis of the plan's portion of the total assets of the Fund.

Any surpluses that arise in the fund as a result of forfeitures of employer contributions on an employee's withdrawal, investment earnings on existing surpluses or in excess of actuarial assumptions, or contributions in excess of that required to meet current fund obligations can be used at the discretion of the Commission to finance other activities.



## The Municipal Employees' Superannuation Fund

### Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement members must purchase an annuity from either the fund or a private insurer based on all employee and employer contributions together with interest thereon. In the event of death prior to retirement, their beneficiaries have the option of receiving such annuities or receiving a lump sum payment of all employee and employer accounts.

In addition, the accounts, set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973;
- any employee and/or employer contributions made to the plan subsequent to normal retirement age; and
- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees's Superannuation Act.

Interest is credited annually to the individual members account balances in accordance with the provisions of the governing legislation. An interest rate of 10.5% was approved by the Commission in 1988 and 11.5% in 1987.

Any forfeitures of the employer contributions, resulting from an employee withdrawing from the plan are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

### Annuity Underwriting

Members of the Money Accumulation Plan upon retirement must purchase a life annuity through the Commission or through a private insurer.

If the member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed to based on current interest rates and annuity tables.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting in the activity can be utilized at the discretion of the Commission.

### Supplementary Benefits

In accordance with the Act, the Commission makes supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the Money Purchase Plan and from the Commission transferring surplus amounts from the other activities to equal the actuarial valuation of supplements granted.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

## 2. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the Fund. The significant accounting policies are as follows:

### Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments.

### Investments

The bonds and debentures are recorded at amortized cost, and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Short-term deposit certificates, corporate shares, mortgages and real estate are recorded at cost. Any gains or losses resulting from their sale are recognized in the period of the sale.

## The Municipal Employees' Superannuation Fund

### 3. Investments

	1988		1987	
	Cost	Market Value	Cost	Market Value
Bonds and debentures at par .....	\$ 125,749,691	\$ .....	\$ 120,059,511	\$ .....
Less:				
Unamortized gains/losses .....	(1,691,331)	.....	(1,805,906)	.....
Unamortized premiums/discounts .....	(3,771,776)	.....	(3,907,558)	.....
.....	\$ 120,286,584	\$ 122,518,793	\$ 114,346,047	\$ 117,106,793
Deposit certificates — short-term ...	55,249,060	55,249,060	33,795,169	33,795,169
Corporate shares .....	36,487,430	37,103,762	37,745,649	34,105,974
Mortgages .....	8,215,690	8,312,534	9,300,831	9,334,663
Real estate .....	4,134,800	4,594,774	4,078,667	3,917,912
Investments				
— to Statement 1 .....	\$ 224,373,564	\$ 227,778,923	\$ 199,266,363	\$ 198,260,511

### 4. Actuarial Report

The Pension Benefits Act requires an actuarial valuation of the assets and liabilities of the fund to be made by an Actuary at regular intervals of three years. The most recent valuation was carried out as at December 31, 1986.

The valuation indicates the fund to be fully funded, with a surplus, and the current contribution rate more than sufficient to finance benefits to be earned in the future.

The surplus of the fund as at December 31, 1986 was calculated to be \$37,291,237 determined as follows:

Assets .....	\$174,094,342
Actuarial Liabilities	
Money Accumulation Plan .....	\$ 13,155,730
Active Members .....	85,428,146
Inactive Members .....	4,014,810
Deferred Pensions .....	1,006,854
Pensioners .....	33,197,565
	\$ 136,803,105
Surplus .....	\$ 37,291,237

The Actuary used the Accrued Benefit Method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

This method examines each benefit that may be payable in the future due to service up to the valuation date multiplying it by its probability of being paid and discounting back to the valuation date using an interest rate.

To determine the contribution rate for the future that will finance future benefits to be earned in the future, the Single Premium, or Unit Cost, Method was used.

The significant actuarial assumptions are as follows:

#### (a) Life Expectancy

It was assumed that future mortality experience would follow the 1983 Group Annuity Mortality Table.

#### (b) Rate of Investment Return

A 7% per annum return on investments was assumed.

#### (c) Salary Increases

Salary increases were assumed to be 6% adjusted to include merit and promotion factors.

#### (d) Termination

Termination pattern used was as follows:

Age	Male %	Female %
20	16.0	32.0
30	8.8	17.6
40	4.7	9.4
50	2.1	4.2

## The Municipal Employees' Superannuation Fund

(e) **Retirement**

The actuarial valuation assumed that all police and fire employees retire at age 60 and all other members retire at age 65.

(f) **Dependents**

It was assumed that 100% of males and 80% of females would be married at death and 90% would be married at retirement.

(g) **Asset Values**

Book value was used as a conservative estimate of market value.

5. **Administrative Costs**

The costs of administering the Act for the period January 1 to March 31, 1988 were borne by the Consolidated Fund of the Province pursuant to Section 10 of The Municipal Employees' Superannuation Act. Accordingly, these costs are not reflected in the financial statements.

The costs of actuarial studies are borne by The Municipal Employees' Superannuation Fund in accordance with provisions contained in Section 12 of the Act.







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